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ABSTRACT

A study was conducted to (1) assess the relation of different CETA management decisions at the prime sponsor level to program goal achievement and (2) assess the conditions under which specific management decisions seem most likely to maximize goal achievement. Members of a research team visited 15 prime sponsorships throughout the United States to collect data on seven different external local conditions and systematically investigate eight areas of local management decisions. Seventeen Ohio prime sponsorships for which there was detailed data available were used as a comparison group. The conclusions were that (1) CETA at the local level is not a highly constrained system; (2) local programmatic choices are not determined by factors such as unemployment, the history of pre-CETA manpower programs, demographic composition of the community, the nature of persons served, or the activities of the Department of Labor; and (3) program performance is significantly affected by factors over which local managers have considerable control; program mix; programmatic priorities; and management decisions in the areas of staff quality, data collection and use, monitoring and evaluation of programs, degree of subcontracting for service delivery, use of requests-for-proposal for subcontracting, open decision making centered in the advisory council, and conflict management strategies. (EM)

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Final Report

CETA PRIME SPONSOR MANAGEMENT DECISIONS AND PROGRAM GOAL ACHIEVEMENT

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PREFATORY NOTE

This is the last in a series of reports that have focused on the relation of CETA management decisions at the prime sponsor level to program goal achievement. The central objectives of the research have been 1) to assess the relation of different management decisions to goal achievement and 2) to assess the conditions under which specific management decisions seem most likely to maximize goal achievement.

The research has been supported by a grant from the Employment and Training Administration of the U.S. Department of Labor (No. 21-39-75-10) and by resources of the Mershon Center of Ohio State University. Researchers undertaking such projects for the Department of Labor are encouraged to express their own judgment. Their interpretations do not necessarily represent the official position or policy of the Labor Department. The authors are solely responsible for the contents of the report.

Members of the research team visited 15 prime sponsorships throughout the United States that were chosen to be illustrative of areas in which management decisions have been consciously linked to the attainment of programmatic goals. They also visited all ten Regional Offices of the Department of Labor. Three progress reports from the project (dated October 31, 1976; January 31, 1977; and April 30, 1977) contain detailed analyses of each of these 15 sites.

We are grateful to a large number of individuals in the sites we have visited and also to a large number of ETA employees in Washington and the Regional Offices for their splendid cooperation. Many have willingly participated in long interviews. Others have provided additional essential data. Without a high degree of cooperation and support from all of these individuals this research would not have been possible.

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SUMMARY

The broadest conclusion from this study is that CETA at the local level is not a highly constrained system. Local decision-makers, particularly very competent and committed local professional staff members, have a great deal of latitude to choose different options as they design delivery systems. They also have a great deal of influence in determining who gets served and how well the programs perform.

Weak or non-existent constraints that were found (some of which are often mistakenly claimed to be very important) include the following:

1. Unemployment at the local level is only a mild constraint on the options open to the CETA staff and on the level of performance of their programs.

2. The history of pre-CETA manpower programs in localities is a fading constraint even in those areas in which there was a sizeable pre-CETA manpower establishment.

3. The demographic composition of a community does not, within very broad limits, determine the nature of those individuals whom the prime sponsorship chooses to serve.

4. The aggregate nature of persons served does not determine the level of program performance. The "hard to serve" (or relatively most disadvantaged) can be emphasized and the program can still perform very well.

5. There is no consistent, major impact on local decisions and program performance by the activities of the regional offices of the Department of Labor.

Program performance was defined in terms of characteristics of participants served (and conscious choice of participant priorities); general achievement of local goals; placement; non-positive terminations; costs; and the reduction of unfocused conflict. Relationships that were found to be important in explaining program performance were:

1. Program mix, which was itself influenced by the personal preferences of the most important actors in the local manpower system, has a direct impact on performance:

   a. Levels of service to the economically disadvantaged and women are affected by relative expenditures on Title I public service employment, classroom training, and work experience.

   b. Relatively high expenditures for and enrollments in on-the-job training are associated with good performance in terms of placement, non-positive terminations, and costs.

   c. Relatively low expenditures for and enrollments in work experience are associated with good performance in terms of placement and costs.

2. The personal preferences, priorities, and commitments of the most influential actors in the manpower system have a direct impact on performance:

a. Staff members, who are usually the most influential persons in the system, are more likely to achieve goals on which they put a higher priority than those on which they put a lower priority.

b. Staffs with stronger commitments to training programs and placements will also be the most likely to have programs that perform better in terms of placement and costs.

3. Seven kinds of management decisions were observed to have specific beneficial impacts on program performance:

a. Development of a high quality staff impacted positively on general goal achievement, placement, and non-positive terminations.

b. Collection and use of good data for planning led to a more conscious choice of participant priorities.

c. Development of high quality monitoring and evaluation of programs had a desirable effect on placement, costs, and the reduction of unfocused conflict.

d. A high degree of subcontracting for service delivery helped lead to good performance in terms of general goal achievement, placement, and costs.

e. The use of some form of request-for-proposal for subcontracting helped reduce unfocused conflict.

f. Local commitment to developing and using an open decision-making system (including an involved advisory council) resulted in both a reduction of unfocused conflict and a conscious choice of participant priorities.

g. A conflict management strategy aimed at focusing conflict rather than avoiding it totally led to conscious choice of participant priorities and a relatively high degree of general goal achievement (as well as achieving its primary goal of reducing unfocused conflict).

Specific recommendations based on the findings and observations of the study are offered in seven major areas:

1. Service to the disadvantaged.
2. Level of commitment to training and placement.
3. Open decision-making at the local level.
4. Monitoring and evaluation.
5. Subcontracting and service deliverer selection.
6. Business involvement in CETA.
7. Organized labor involvement in CETA.

I. INTRODUCTION

This report and the project from which it stems are focused on the relations between management decisions about CETA at the prime sponsor level and achievement of programmatic goals by prime sponsors. Our broad research strategy has been fivefold:

1. To describe the phenomena in which we are interested in a series of individual cases.

2. To describe those phenomena in aggregate terms so as to emphasize the patterns that are present.

3. To explain what we have observed in the individual cases.

4. To explain the aggregate patterns we have observed.

5. To concentrate on aspects of CETA management that are relatively manipulable by local staff and/or able to be influenced by the Department of Labor so that meaningful policy recommendations (based on explicit assumptions about programmatic goals) can be made on the basis of our findings.

CONCEPTUAL FRAMEWORK

The Comprehensive Employment and Training Act embodies the belief that local prime sponsors know best how and when to respond to what specific local conditions in order to achieve the general goals of the program. Nationally, there has been great variation among prime sponsorships in terms of types of conditions faced, the types of programmatic responses generated, and the results of the responses.

Our central research question can be stated simply: under what conditions do what management decision choices seem most likely to enhance desired program performance?

We began with the belief that prime sponsor performance is influenced both by a variety of conditions that are external and antecedent to management decisions and by those decisions themselves. Our general belief had solid empirical grounding in the findings of a two-year study we conducted on the implementation of CETA in 17 Ohio prime sponsorships (see Ripley and others, 1977). The broad relationships we set out to explore are summarized very simply in Figure 1.

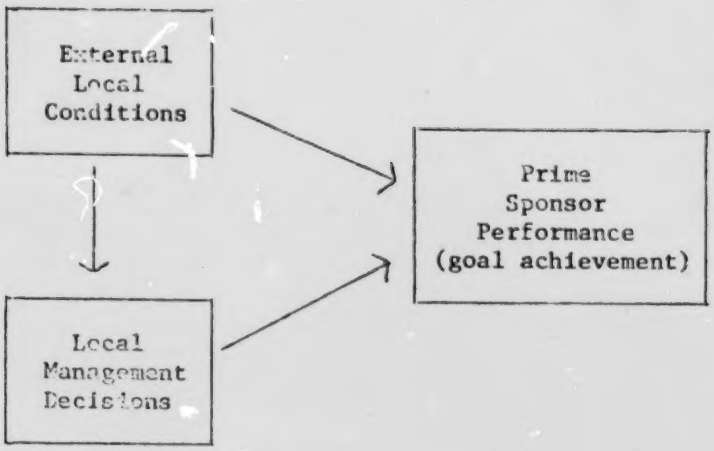
We systematically investigated a number of aspects of seven different External Local Conditions in prime sponsorships:

1. Economic conditions.

2. Demographic characteristics.

3. The history of employment and training programs.

Figure 1: General Model of Relationships to Be Explored



4. Local government structure.

5. The attitudes of various actors with some actual or potential influence over decisions toward employment and training programs.

6. The formal administrative location of the CETA unit.

7. The resources allocated to the staff of the CETA unit in terms of both budget and personnel (number, qualifications, pay, nature of personnel system).

All of these conditions are relatively hard to change through specific actions by local staff members; some are basically impossible to change through staff action. Only number 7 is open to much short-run action by local staff members and even in that area the room for maneuver is likely to be quite restricted. Thus these conditions tend to be "givens" with which local staff members must deal.

We also systematically investigated eight different areas of Local Management Decisions in which the potential for short-run change on the basis of local staff choice is considerably greater:

1. The degree of both administrative and programmatic integration or separation of public service employment (PSE) programs with other CETA programs.

2. The location of service delivery operating responsibilities (the mix between in-house programs and those contracted out).

3. The nature of service deliverer selection processes.

4. The nature and use of monitoring of programs.

5. The nature and use of evaluation of programs.

6. Other aspects of program design (most of these were specific to individual prime sponsorships; the place of the Employment Service in the program was the one feature we looked at in all cases).

7. The nature of staff relation with other key actors: political officials, Manpower Advisory Councils, business, and organized labor.

8. The management of actual or potential conflict in the manpower system.

We looked at Prime Sponsor Performance in a number of different ways that will be specified in the body of the analysis that follows. In general, we investigated performance in relation both to presumed national goals for CETA and both explicit and implicit local goals.

DATA BASE AND NATURE OF THE ANALYSIS

Data Base

A very large data base was created specifically for this project. In addition, part of the very large data base created for the previous project on Ohio (see Ripley and others, 1977: 1, 3, for a capsule description) was also utilized. Data collected during the 14½ month life of the present project (April 15, 1976 - June 30, 1977) were of two primary kinds. First, a great range of data on all of the factors listed above was collected for 15 prime sponsorships. These data came primarily from the sites themselves and also from the national and regional offices of the Department of Labor, and state offices of the Employment Service. Second, aggregate data on performance were collected for all prime sponsorships in the country.

The data on the 15 sites came from such sources as the 1970 Census; quarterly reports filed by the sites with the Department of Labor from September, 1974, through December, 1976 (although the quality of the September, 1974, reports were so mixed we did not use them in the analysis); Employment Service Annual Reports (ESARS); Employment Service data on unemployment; a variety of documents and files (annual plans, MAC minutes and minutes of other relevant meetings, newspaper clippings, memoranda and letters, internal reports, Regional Office field assessments and backup materials); between 600 and 700 personal interviews with professional staff, political officials, key MAC members, service deliverers at the local level and a range of individuals at the appropriate Regional Office (the Regional Administrator or his Deputy, the relevant Associate Regional Administrator and his Deputy, and one or more Federal Representatives who were or had been assigned to the specific sites); mailed questionnaires for all MAC members; and observation of MAC meetings and other relevant meetings such as Executive Boards.

The exact nature of the data used for specific analyses will be indicated in the body of the report.

Nature of the Analysis

The progress reports from this project contain detailed studies of the 15 individual sites and tentative conclusions based on comparisons of those sites.

The present report uses a variety of comparative frameworks in the analyses that are performed. Comparisons are made between individual prime sponsorships and different groups of prime sponsorships both at single points in time and over time. Comparisons used will be specified at appropriate places in the report. In general, we analyzed prime sponsorships (our unit of analysis) at six different levels of aggregation:

1. The 15 sites treated individually.

2. Various subsets of the 15.

3. The 15 aggregated.

4. 17 Ohio prime sponsorships, on which we also have detailed data, aggregated.

5. The 15 national sites and 17 Ohio sites aggregated--a total of 32.

6. All prime sponsorships in the country aggregated (446 in Fiscal Year 1977).

We used many different analysis techniques, including regression, correlation, cross tabulation, inspection of descriptive statistics, and judgments based on field observations. The specific techniques used in any given portion of the analysis will be specified in the body of the report.

SITE SELECTION AND DESCRIPTION

The 15 sites were selected as a purposive sample of all prime sponsorships. We do not assert that we have a sample from which we can generalize about all prime sponsorships in a strict statistical sense. Nevertheless, we did select prime sponsorships in which we expected broad variation in the elements of their programs and management in which we were interested (and we were not disappointed in this expectation). And we also planned from the outset to use the 17 Ohio prime sponsorships as a comparison group. Those sites had been chosen simply because they were all in a single large and diverse state and could reasonably be expected to vary much like all prime sponsorships in the country. (This was an expectation that turned out to be largely supported by empirical analysis--see Ripley and others, 1977). We also planned to compare the experience of our 15 sites to all prime sponsorships in the country on some measures.

The criteria by which we arrived at the 15 sites can be summarized as follows:

1. Geographical spread. We wanted at least one prime sponsorship in every federal region and no more than two in any region.

2. Size of program. We eliminated about 1/3 of all prime sponsors on the grounds that they were simply too small. We used an arbitrary limit of $1 million for a base Title I allocation as our cutting point. We also decided not to attempt any of the very largest prime sponsorships in the country. Within the eligible range we sought to choose sites with substantial variation.

3. Type of prime sponsorship. We wanted at least several examples each of consortia, cities, counties, and balances of state.

4. General economic conditions. We inspected unemployment figures so that we would have a range of prime sponsorships in terms of general economic health.

5. Ethnic Mix of Population. We inspected figures on percent of non-white population and percent of Spanish-speaking population so that we would have a mix of different ethnic characteristics.

6. Non-duplication of other intensive field studies. We decided to avoid using sites already used by the National Academy of Sciences study (28 sites) and the Employment and Training Administration in-house study (66 sites). We also eliminated all Ohio prime sponsorships since we had already studied them.

7. Reputation for "general success." We did not want prime sponsorships that were so badly managed that all we could report was a lack of management decisions that were consciously aimed at affecting program performance. On the other hand we did not want only the "best" prime sponsorships in the country. We wanted a broad variation in general management style, competence, and effectiveness above a low minimum level. We also wanted a broad variation in program performance measured in a number of ways.

In order to help us screen out unacceptably unmanaged prime sponsorships we used three pieces of evidence: 1) those rated "significant underperformers" by the Department of Labor field assessment in the spring of 1975 were eliminated; 2) those rated "marginal" or "unsatisfactory" in the spring, 1976, field assessment were eliminated (this left over 260 rated "satisfactory"); and 3) a few with special problems identified by national ETA officials were eliminated.

We used judgmental information we solicited to get "positive" nominations. First, we talked with appropriate ETA officials to get their impressionistic nominations. Second, a Field Memorandum (180-76, May 26, 1976) was sent to all Regional Administrators that first described the project briefly and then asked each of them to nominate five or six of the "most generally successful" prime sponsorships in the region for study.

8. Willingness to cooperate at the local level. Given the nature of the research we needed to undertake, it would have been pointless to choose prime sponsorships in which the professional staff would not cooperate. Thus we selected our 15 preferred sites on the basis of the above seven criteria and then made extended phone calls (preceeded by written descriptions of what we wanted to do) to the chief of staff at each site. On the basis of those phone calls we judged that there would be a high level of cooperation at 14 of the sites but that we ought to replace one of our first choices with an alternate, which we did.

Table 1 presents summary information on region, size of program, and type of prime sponsorship for the 15 sites. Table 2 presents summary information on the population and unemployment rates in the sites.

ORGANIZATION OF THE REPORT

Three major analytical sections follow. The first focuses on program design and management. The second focuses on program participants. The third focuses on program performance. A concluding section assesses the findings as a whole and also offers policy recommendations.

Table 1: Region, Size of Program, and Type of Prime Sponsorship, Project Sites

Name	Federal Region	Size of Program ($ in millions) Title I [a]	PSE [b]	Type of Prime Sponsorship	Notes on Nature of Prime Sponsorship
Connecticut Balance of State	I	8.9	12.9	BOS	Rural, suburban, small town areas.
Lowell Csrt., Mass.	I	2.0	2.7	Csrt.	Central small city of Lowell (94,000) and eight surrounding towns.
Cumberland Co., N.J.	II	1.2	1.6	County	Rural and small town areas/
Yonkers, N.Y.	II	1.3	1.6	City	Moderate sized city next to New York City.
Wilmington, Del.	III	1.1	0.9	City	Small city.
Luzerne Co., Pa.	III	3.0	3.4	County	Small city (58,000) in a heavily populated and industrialized county.
Birmingham Area Manpower Csrt., Alabama	IV	4.7	3.7	Csrt.	City of Birmingham (301,000) and surrounding county.
Cumberland Co., N.C.	IV	1.1	0.8	County	Small city (53,000) and its county.
Duluth, Minn.	V	1.4	0.9	City	Small city.
Arkansas Balance of State	VI	12.5	9.7	BOS	Rural and small town areas.
Dallas Co. Csrt., Texas	VI	2.0	1.1	Csrt.	Balance of suburban county surrounding Dallas city.
Central Iowa Regional Assn. of Local Governments	VII	3.0	2.0	Csrt.	Eight counties surrounding Des Moines (201,000).
Denver, Colorado	VIII	3.9	3.8	City	Moderately large city (city and county are co-terminous and are a single government).
Sacramento-Yolo Csrt., Cal.	IX	5.2	6.1	Csrt.	Moderate sized city (257,000), its county, and neighboring suburban and rural county.
King-Snohomish Manpower Csrt., Washington	X	11.1	11.9	Csrt.	Moderately large city of Seattle (531,000), its county, and neighboring county.

[a] This figure is the Title I base allocation for FY 77 announced on 10/22/76.

[b] This figure combines the base Title II allocation announced on 11/22/76 and the base Title VI allocation announced on 12/17/76.

Source: Office of Information. U.S. Department of Labor.

Table 2: Population and Unemployment, Project Sites

	Total Population, 1970 a	% Economically Disadvantaged Families, 1970 a	% Non-White, 1970 a	% Spanish-Speaking 1970 a	% Unemployed		
					April-June, 1975	April-June, 1976	Oct.-Nov. 1976
Connecticut	1,719,941	4.0	2	1	9.2	9.4	8.2
Lowell	182,751	6.1	1	1	12.7	8.5	6.2
Cumberland, N.J.	121,374	9.2	15	6	14.5	10.9	9.4
Yonkers	204,297	5.6	7	4	8.4	8.5	7.9
Wilmington	80,386	16.0	44	2	13.2	11.3	10.9
Luzerne	342,301	8.9	1	*	11.3	9.9	10.3
Birmingham	644,991	14.5	33	*	6.6	7.1	6.0
Cumberland, N.C.	212,042	17.1	26	3	6.1	6.7	7.6
Duluth	100,578	7.4	2	*	8.5	8.1	6.3
Arkansas	1,497,599	20.1	19	4	9.4	6.2	5.6
Dallas	881,547	8.1	25	9	4.8	4.3	3.7
Central Iowa	502,206	7.0	3	1	5.1	4.9	3.8
Denver	514,678	6.8	11	15	8.0	7.4	7.6
Sacramento-Yolo	723,286	8.9	10	8	8.7	9.5	8.8
King-Snohomish	1,421,869	5.2	6	2	8.9	8.6	7.5

[a] Source: 1970 census. Disadvantaged families are those below the poverty level.

[b] Source: U.S. Department of Labor. Figures are averages of the monthly figures for the months indicated.

* = less than 0.5%

II. PROGRAM DESIGN AND MANAGEMENT

Prime sponsor staff members have considerable latitude in designing and managing their CETA program, especially the Title I component. In this section of the report we want to analyze four major sets of decisions that are made. These decisions are about: 1) the mix of Title I programs; 2) major features of the local delivery system; 3) how to manage potential and actual conflict; and 4) how to seek the involvement of business and organized labor in CETA, if at all.

THE CHOICE OF TITLE I PROGRAM MIX

A Description of the Choices Made

To begin our analysis and explanation of the changes in Title I program mix over time, we want first to lay out some simple descriptive statistical summaries of patterns of utilization and preference for two sets of prime sponsors, the 17 Ohio sites we have studied and the set of 15 national sites we most recently observed. Figure 2 displays the average expenditures on training (classroom and on-the-job) and employment (work experience and public service employment) programs for both sets of sites.

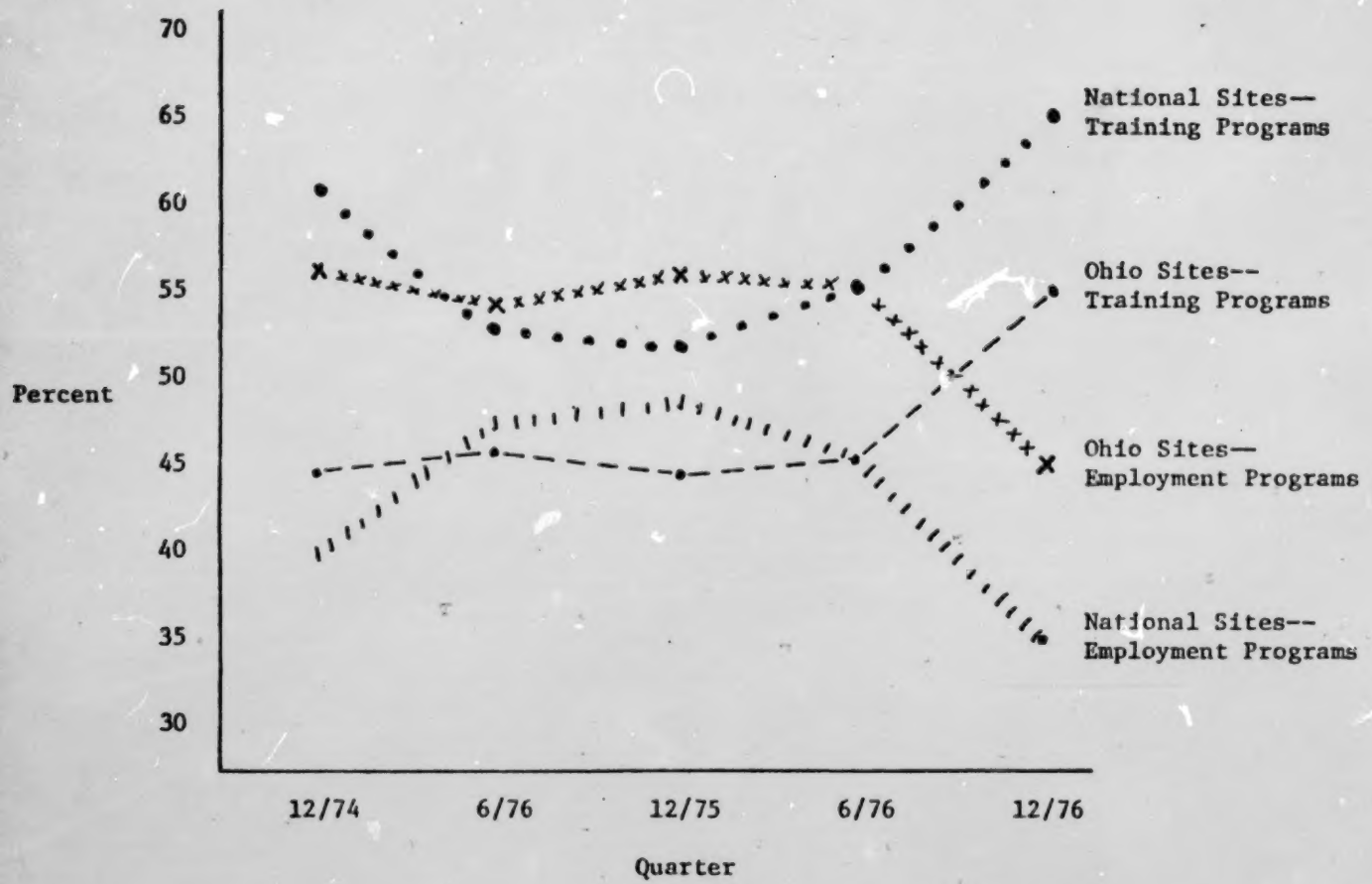
Figure 2 displays significant stability across time with some increased emphasis on training programs in late 1976. The national sites consistently had a greater emphasis on training than the Ohio sites.

Table 3 summarizes the information on total expenditures for the two large categories of programs for each of the first two full fiscal years of CETA and for December, 1976. Table 4 breaks the information into the four basic programmatic categories and reports the mean percentage expenditure for each prime sponsorship in each group.

Table 5 summarizes the proportion of clients enrolled in the two basic kinds of CETA programs in FY 75, FY 76, and as of December, 1976, for the Ohio sites, for the National sites, and for all prime sponsorships in the country. Both the national sites and Ohio sites have increased the proportion of their participants in training programs over time. All prime sponsorships in the country increased that proportion between FY 75 and FY 76 and it remained stable in December, 1976. The increase in the Ohio sites has been steady and has brought the Ohio primes to the national average. The increase in the national sites has also been steady and has left them well above the national average for participants in training programs (and they have also been consistently higher than the Ohio sites on that figure).

To get some feel for how closely planning and performance in terms of expenditures coincided we inspected data on percent of plan achieved for the total plan and for the major programmatic segments other than PSE. Table 6 summarizes data on the percent of prime sponsors in our two groups of sites that achieved at least 85% of plan (a Department of Labor standard) at the end of FY 75, at the end of FY 76, and in December, 1976.

Figure 2: Average Percent of Expenditures Going to Employment and Training Programs 12/74, 6/75, 12/75, 6/76, and 12/76 Ohio Sites and National Sites



EXPENDITURES FOR EMPLOYMENT AND TRAINING PROGRAMS, NATIONAL AND OHIO SITES, FY 75, FY 76, and 12/76

(in percents)

Type of Program	FY 75		FY 76		12/76	
	National	Ohio	National	Ohio	National	Ohio
Training	53%	46%	55%	45%	65%	55%
Employment	47%	54%	45%	55%	35%	45%

Table 4: AVERAGE (MEAN) EXPENDITURES FOR TYPE OF PROGRAM, NATIONAL SITES AND OHIO SITES, FY 75, FY 76, and 12/76

(in percents)

Type of Program	National Sites			Ohio Sites		
	FY 75	FY 76	12/76	FY 75	FY 76	12/76
Classroom Training	42%	41%	51%	37%	34%	43%
OJT	11	14	14	9	10	12
PSE	5	8	5	9	10	14
Work Experience	42	37	29	45	46	31

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Table 5: PARTICIPANT ENROLLMENT IN EMPLOYMENT AND TRAINING PROGRAMS, NATIONAL SITES, OHIO SITES, AND ALL PRIME SPONSORSHIPS, FY 75, FY 76, and 12/76

(in percents)

Type of Program	FY 75			FY 76			12/76		
	National Sites	Ohio Sites	All Primes	National Sites	Ohio Sites	All Primes	National Sites	Ohio Sites	All Primes
Training	41%	35%	34%	50%	44%	49%	60%	49%	48%
Employment	59	65	66	50	56	51	40	51	52

The data for December, 1976, may not be fully comparable in that primes may not plan as carefully from quarter-to-quarter as they do for the end of a fiscal year. On the other hand, given the modification process open to them, they can tailor plans to actual performance in later quarters and so perhaps mid-year data such as December, 1976, are also revealing.

Table 6 suggests several things. First, the national sites are not notably "better" at management measured in this way than the Ohio sites even though the former were chosen in part because they were thought to be "generally successful" and the latter were chosen simply because they all happened to be in one large state. Second, there are fluctuations in the achievement of plan in all categories but both sets of primes have clearly been having the most trouble in meeting their OJT goals. This is understandable since spending OJT money requires the agreement of an employer, whereas spending money for classroom training or work experience simply involves an act of will on the part of the prime sponsorship alone.

Explaining Program Choice

We observed two general phenomena related to program choice that we tried to explain: change in program mix and differences between programmatic emphases in different prime sponsorships.

Change in Program Mix. There is an extensive literature that argues that program choices (including budget choices) are basically incremental, which means that change occurs in small increments and this year's activities can be explained almost totally by last year's activities. (See Davis, Dempster, and Wildavsky, 1966, for a classic statement about budgetary incrementalism and Braybrooke and Lindblom, 1963; and Lindblom, 1965, for classic statements of incrementalism in general. For empirically based critiques of budgetary incrementalism see Gist, 1974; Natchez and Bupp, 1973; and Ripley and Franklin, 1975.) The incremental line of reasoning asserts that because of limitations in the availability and accuracy of data, in the time available for analysis, and in the ability of decision-makers to predict the consequences of major policy change, programmatic decisions tend to result in minor variations on past actions. Change comes about by adjusting components of a program at the margins through a series of minor alterations that seldom reorient or rework a policy or program completely.

When this reasoning is applied to CETA it simply means that, if true, program mix in a prime sponsorship at any given time will be a function of prior program mix.

To test this view we examined the relationships between actual program expenditures in FY 75 and FY 76 and the relationships between planned program expenditures for FY 75 and FY 76 in the national sites. Table 7 reports the simple correlations obtained.

The relationships are strong, although the simple statistic used may well mask important variations within program components. It is interesting to note that particularly for the two types of training programs there was a higher correlation between actual expenditures than between plans. Although strong, these relationships still leave considerable change unexplained in the statistical sense (somewhere between 10% and 66%, depending on the individual case). Thus it is clear that prime sponsorships

Table 6: PERCENT OF PRIME SPONSORS ACHIEVING 85% OF PLANNED EXPENDITURES, NATIONAL SITES, AND OHIO SITES, FY 75, FY 76, and 12/76

Segment of Plan	National Sites			Ohio Sites		
	FY 75	FY 76	12/76	FY 75	FY 76	12/76
Total Plan	71%	87%	67%	71%	65%	64%
Classroom Training	50	73	80	50	59	64
OJT	14	53	40	29	29	64
Work Experience	71	80	53	50	71	64

Table 7: RELATIONSHIPS BETWEEN FY 75 and FY 76 EXPENDITURES AND PLANNED EXPENDITURES, BY PROGRAM SEGMENT, NATIONAL SITES

Program Segment	Correlation between FY 75 Expenditures and FY 76 Expenditures	Correlation between FY 75 Planned Expenditures and FY 76 Planned Expenditures
Classroom Training	.78	.70
OJT	.93	.58
PSE	.83	.96
Work Experience	.80	.79

are doing more than just extrapolating from last years' plan or expenditures in planning for the future and in spending for their programs. They seem to be making deliberate changes that do not escape the impact of the past but are far from totally determined by it.

We hypothesized that some specific features might increase the amount of change in individual prime sponsorships. Specifically, we felt that those prime sponsors that retained some of their Title I programs for in-house delivery would exhibit more change because of increased flexibility. We also felt that those prime sponsorships with high quality monitoring and evaluation would exhibit more change because they would have better "feedback" on which to make subsequent adjustments. We also felt that those prime sponsorships in which the quality of the top staff was relatively high would exhibit more change because we assumed that the better planning of which these staffs seemed to be capable would probably result in larger changes. We also felt that in those primes in which service deliverer influence was perceived to be relatively low there would be more change because there would be less entrenchment pushing for continuation of programs with minimal change.

We employed a partial correlation technique to test for the above relationships. In fact, none of them altered the basic simple correlation by any noticeable amount. Again, our statistic may be too blunt to reflect important variations in planning and spending within the program segments. Thus we do not read the results as a denial that the above factors are important, rather that they do not appear to be important at the gross level of the four basic segments. An alternative argument, of course, is that good management in many cases may result in a conscious decision to change plans and expenditures very little. Change may or may not be warranted in any given case. Good management comes in knowing when the decision to change is superior to the decision not to change and vice versa. Certainly, correlation coefficients cannot make that discrimination no matter how long and carefully they are massaged.

Choice of Programmatic Emphasis. One possible explanation for the differences in program mix in our 15 sites is that manpower actors in those sites have different preferences. We asked a variety of actors (staff members, planning council members, and service deliverers) to rank order their preferences for broad program categories under ideal conditions and given present circumstances, with a rank of "1" assigned to the most preferred program and a rank of "4" assigned to the least preferred. (Insufficient data in one of our sites limits our analysis to 14 cases.) We then computed an average ranking for each program in each prime sponsorship. We also computed the average response across all 14 prime sponsors. The results of this final computation are presented in Table 8.

Table 8 shows that for both questions, OJT was the most preferred program, followed by classroom training, work experience, and PSE in that order. The only difference resulting from the explicit recognition of the limitations imposed by present circumstances was a slight downgrading of OJT and a similar rise in the PSE ranking. Standard deviations were generally low, indicating that there was substantial agreement on the rankings among the various prime sponsorships.

Table 8: AVERAGE (MEAN) PREFERENCE OF ACTORS FOR TYPE OF TITLE I PROGRAMS, 14 NATIONAL SITES

Type of Program	Preference under Ideal Conditions	Preference under Present Circumstances
Classroom Training	2.27	2.24
Work Experience	2.61	2.67
OJT	1.75	1.96
PSE (Title I)	3.24	3.01

The data reported are mean responses on a 1 (most desirable) to 4 (least desirable) scale.

Despite this general agreement, it is possible that the modest disagreements between the prime sponsorships in their attitudes toward this issue might help to explain the differences in their program mixes. In our Ohio study we found that such preferences proved to be an important explanatory variable. Table 9 indicates that to some extent preferences are important in the national sites as well.

In this table we correlated the data on preferences with FY 76 data on expenditures. We report the association in the form of Pearson's r. The most interesting feature of the table is that preferences under present circumstances are in every case more highly related with actual spending than preferences under ideal conditions. Local conditions ("present circumstances") probably both impact on preferences and also reflect preferences. This relationship runs in both directions, but the figures in Table 9 give at least some support to the view that actor preferences are accomodated, especially in the cases of OJT and work experience.

A second possible explanation for the differences in program mix is variation in local economic conditions--especially unemployment and general fiscal health of the governments in the prime sponsorship. We used monthly data on unemployment in 14 of our 15 national sites and judgments about fiscal conditions to explore this relationship.

We anticipated that OJT would decline substantially with high unemployment (because of a reluctance on the part of employers to agree to bring on new employees) and that classroom training would decline moderately (because of the increased difficulty of placing graduates). Work experience and PSE would be expected to increase. They would take up the slack caused by declines in the other programs and would serve as a source of income for participants, many of whom would have little need for training, having been employed prior to the recession.

We computed correlations between the unemployment rates for the period October - December, 1975 and program mix in FY 1976. The results were directly contrary to expectations, although the relationships were weak. Unemployment was positively correlated with training programs and negatively correlated with employment programs (see Table 10). The unexpected results may stem from other factors, including past program history. This cross sectional analysis merely relates unemployment rates to sizes of programs. It does not indicate to what extent program size is the result of unemployment rates, since it does not control for the impact of other variables.

We performed another test in which we tried to determine whether changes in unemployment rates were related to the predicted changes in programs. In this way we hoped to limit the effects of other variables. The change in unemployment rates from January - March, 1975, to January - March, 1976, was correlated with the change in program mix from FY 1975 to FY 1976. The results were somewhat more in keeping with expectations (see Table 11). OJT was negatively related to unemployment (-.37) and there was a very weak positive relationship between work experience and unemployment. But the relationships with classroom training and Title I PSE were not as expected. It seems fair to conclude that prime sponsors did not uniformly respond to unemployment rates in the way that we had anticipated.

Table 9: RELATIONSHIP BETWEEN ACTOR PREFERENCES AND EXPENDITURES, BY PROGRAM, NATIONAL SITES, FY 76

Type of Program	Preference under Ideal Conditions	Preference under Present Circumstances
Classroom training	-.19	.02
Work Experience	-.08	.32
OJT	.34	.53
PSE (Title I)	.09	.21

The data reported are Pearson's r's.

Table 10: RELATION BETWEEN UNEMPLOYMENT (Oct.-Dec., 1975) AND PROGRAM EXPENDITURES, FY 76, NATIONAL SITES, BY TYPE OF PROGRAM

Type of Program	Correlation (Pearson's r)
Classroom Training	.29
OJT	.34
PSE (Title I)	-.10
Work experience	-.45

Table 11: RELATION BETWEEN CHANGE IN UNEMPLOYMENT (from Jan.-March, 1975, to Jan.-March, 1976) AND CHANGE IN PROGRAM EXPENDITURES (from FY 75 to FY 76), NATIONAL SITES, BY TYPE OF PROGRAM

Type of Program	Correlation (Pearson's r)
Classroom Training	.11
OJT	-.37
PSE (Title I)	-.28
Work experience	.11

For both of the tests reported in Tables 10 and 11 we also produced partial correlations by controlling for location of operating responsibility, quality of monitoring, quality of evaluation, perceived quality of top staff, and degree of service deliverer influence. But, as with the application of these controls in assessing change, they did not result in any important changes in the basic relationship reported by the simple correlation.

These mixed findings about the impact of unemployment are consistent with our observations during field work for the last three years. There is no agreed on "best" way to respond to increasing or decreasing unemployment in programmatic terms. Some argue that training should be increased during a recession to prepare participants for the next upturn. Others argue that it is foolish to stress training during periods when jobs are scarce and therefore they push for increases in employment programs. These differing economic ideologies are reflected in our sites. Thus, given that different professionals react in different ways by choice to the same conditions, mixed or relatively low relationships are not surprising. The staff has a relatively high degree of control over expenditures on classroom training and work experience. Thus, since they are deliberately reacting differently to changing unemployment, the weak relationships reported in Table 11 make sense. The staff has relatively less control over spending on OJT, since that also involves a commitment by an employer. Thus the stronger negative correlation reported in Table 11 suggests that it is the programmatic segment in which changes in the unemployment rate is likely to have the strongest impact. But even in that segment of the program the relationship explains less than 15% of the variance. All of these findings underscore the non-deterministic nature of economic conditions in relation to program choice. Manpower staffs have a great deal of latitude almost regardless of the local unemployment picture to shift their programmatic priorities in ways they desire. They may be under other, more severe constraints, such as basic facts of community political influence, but they cannot plausibly argue that changes in unemployment make shifts in programmatic emphasis inevitable despite their contrary preferences. Some marginal changes may, of course, be warranted in response to changing conditions, but there is debate over what changes make the most sense.

In addition to unemployment we also looked at the relationship between perceived general fiscal health of prime sponsorships and broad programmatic choices. The only expected relationship was between fiscal health and the use of Title I money for PSE slots. We expected that relationship to be negative. We had no reason to expect that any other relationships would appear. When we correlated our judgments about fiscal health with spending by program segment for both FY 75 and FY 76, in general our expectations of weak, random relationships were realized. The relationship between fiscal health and PSE spending in FY 75 was nonexistent and was mildly positive (.30) in FY 76. If anything, Title I spending for PSE was a little more likely to occur in fiscally healthy prime sponsorships.

Our expectation about PSE and fiscal health came from our Ohio study. In Ohio a number of prime sponsorships in fiscal trouble had resorted to spending Title I for PSE as another method of keeping the governmental payroll from shrinking. Our national sites did not engage in such behavior. The few Title I PSE programs that existed were generally for creating new positions for the disadvantaged and transition to permanence was quite high.

ADMINISTRATION OF THE LOCAL DELIVERY SYSTEM

There are a number of important choices that help shape the type of delivery system developed by any prime sponsorship. These include basic operational arrangements (the degree of administrative integration of the programs under different CETA titles, programmatic integration of all segments of the CETA enterprise, and the allocation of operating responsibility); the method used for selecting service deliverers; the nature of program monitoring; the nature of program evaluation; and the use of the Employment Service in CETA.

Basic Operational Arrangements

The Administrative Integration of the Major CETA Titles. Six of our national CETA sites had a high level of administrative integration across titles. There were no separate staff units for separate titles; the staffs were organized by function regardless of title. Nine prime sponsorships chose to operate with a low level of administrative integration, usually with a very separate and distinct PSE staff unit. When the six with relatively high administrative integration are compared to the nine with low integration it becomes apparent that high integration is more likely in prime sponsorships with 1) a more open CETA decision-making system (not completely dominated just by professional staff and political officials); 2) a lower unemployment rate (and, therefore, a relatively smaller amount of PSE money); 3) greater staff independence from political officials; and 4) a higher commitment on the part of the political officials to serving more disadvantaged persons.

The level of integration is, of course, not completely within the power of staff to decide. In fact, in many jurisdictions the decision about whether to separate Title I and PSE administratively was made by political officials and their closest advisors at the beginning of CETA and has not really been open to question since.

Programmatic Integration. By programmatic integration is meant the degree to which CETA participants are able to move between different Title I programs or between programs funded under different Titles. This type of integration is much more open to staff manipulation and change than is basic administrative integration.

In the 15 sites only one had a high degree of programmatic integration. Six more had at least some elements of integration. Eight had made virtually no attempt to achieve programmatic integration.

A higher degree of programmatic integration is more likely to be present in those prime sponsorships in which the staff has a higher degree of independence from political officials and in smaller single city or single county prime sponsorships. Larger prime sponsorships and consortia often elect to avoid programmatic integration to simplify administration of what is a very large and potentially very complex program.

Prime sponsorships more heavily committed to training programs (classroom training and on-the-job training) rather than employment programs (work experience and PSE) with Title I are less likely to have programmatic

integration. Likewise, those more committed to involving business in CETA are less likely to have programmatic integration than those less committed. These associations seem plausible for two reasons. First, the training programs and the commitment to business involvement are both aimed at producing unsubsidized jobs for Title I clients. If this effort is successful there is little reason to think they would need to move to a Title I employment program or to a Title II or Title VI slot. Second, since Title I employment programs are very similar to PSE programs it is not surprising that those with a greater involvement in the former would also have greater programmatic integration between titles.

Prime sponsors with higher programmatic integration tend to have manual Management Information Systems (MIS) rather than automated systems. This is largely a function of the size of the prime sponsorship. Smaller primes are more likely to have both higher program integration and manual MIS systems.

In some prime sponsorships the staff tends to view PSE programs as either "tainted" politically or as illegitimate manpower programs. Where those attitudes prevail there is less likely to be any programmatic integration.

Operating Responsibility. Nine of the national sites contracted for virtually all service delivery. Six retained at least a considerable portion (and, in two cases, virtually all) of their programs for in-house operation.

The division of operating responsibility is related more to one central historical fact than to anything else. Primes that had a large number of experienced manpower deliverers operating categorical programs when CETA began were very likely to contract out all or most of their programs. Once the deliverers made the transition to CETA then they helped generate a decision system that helped perpetuate their role in the system. Thus those primes with a high proportion of service delivery under contract also tend to be those in which service deliverer influence is relatively high, in which the decision-making system is relatively open (usually to service deliverer influence through the MAC), and in which political officials are aware of the costs they might incur if they allowed important contractors to be cut severely or deleted from the system.

The Selection of Service Deliverers

It is well established that the selection of service deliverers in the first few years of CETA often represented highly political choices (see Mirengoff and Rindler, 1976; Mirengoff, 1976; and Ripley and others, 1977). That point need not be reargued. Nor need it be argued that when scarce resources are to be divided, choices based partially on political considerations are virtually inevitable.

What can vary, however, is the degree of politicization of the choices made. Some observers have argued that one good way of reducing political choices and increasing program performance-oriented choices is to adopt a version of a request-for-proposal system for choosing deliverers.

Seven of our 15 sites did not use any form of RFP. Of the eight who used an RFP in some mode, two used a formal RFP for the entire system, five used a formal RFP for some program components, and one used an informal RFP for the complete system. The use of an RFP was more likely in larger prime sponsorships in terms of population and in consortia. Only two of the nine non-consortia used an RFP of any sort.

RFP's were also more likely to be used in primes in which the relative commitment to training programs under Title I (as measured by their allocation of funds between training programs and employment programs) was high. This seems reasonable, given that those staffs most committed to training programs are also most likely to worry about costs, efficiency, and other aspects of "rational" administration. Their costs are also more visible to the Department of Labor since the cost of a classroom training slot is typically much higher than the cost of a work experience slot.

There is good evidence that a relatively active MAC is associated with the use of an RFP. In our national sites none of the four with an inactive council used an RFP. Eight of the 11 with a relatively active council did use an RFP. The direction of causality is not clear. It may be that a prime sponsor staff simultaneously made the decision to seek an active council and to institute an RFP system. Or it may be that the council itself pushed for the development of some form of RFP system so that it would have some relatively clear criteria to use in giving its advice on deliverer decisions. It certainly makes sense that if a council wants to have genuine influence in the selection of deliverers that it would find the information generated by an RFP easier to deal with than information likely to be less structured and more amorphous in the absence of an RFP. And, in fact, in those instances in which an RFP is used, the council is also more likely to be perceived as very important or important in the selection of deliverers and in making Title I program decisions than if no RFP is used.

What differences in perceptions by the actors of different facets of CETA decision-making does the presence or absence of an RFP system make? We probed for evidence on this question in our interviews. The general answer is that thus far the use of an RFP has not made a great deal of difference. We would hasten to add, however, that 1) there are some small differences that are suggestive and 2) in most areas the RFP was quite new and so may not have had much impact on perceptions as yet, even though such impact may be forthcoming in the future.

Thus far about the same proportion of actors in both the RFP sites and the non-RFP sites assumed that service deliverers would be refunded. The existence of an RFP does not seem to have cut into the general presumption that those deliverers in the system will remain in the system.

There is some evidence that the presence or absence of an RFP has had some marginal impact on the perceptions of actors about why deliverers were chosen. In interviews we asked actors to indicate the presence or absence and the importance of six possible reasons for choosing specific service deliverers. We also asked them to name the single most important reason. The six choices were:

1. The absence of alternative deliverers.

2. Prior decisions to serve particular client groups.

3. Economic conditions in the prime sponsorship.

4. Political considerations associated with an agency.

5. The quality of the deliverer's previous performance.

6. Advice and guidance from the Regional Office of DOL.

When the answers are ranked by frequency of "yes" responses for primes with RFP systems and those without RFP systems only a few differences emerge. Table 12 summarizes those responses. Political considerations come out about the same. The most important difference is that previous performance is cited much more frequently by actors working in an RFP system than those working in a non-RFP system. This at least gives a hint that the presence of some form of RFP is contributing to perceptions of "rational" decision-making.

When the single most important reason for service deliverer choice is analyzed, serving particular client groups is the most important in those primes with an RFP. Political considerations are cited as the second most important reason. In primes without an RFP, political considerations are named most frequently. Perceptions that political choices are important are present in all prime sponsorships, but they are perceived as marginally more important in primes where an RFP is not present.

We also probed for the level of satisfaction with the process of choosing service deliverers on the part of actors. Those actors in systems with an RFP system tended to be more dissatisfied than those in systems without an RFP. At least three reasons seem to explain this difference. First, in most areas an RFP system is relatively new. Novelty is always a threat to stability and may well raise levels of dissatisfaction, at least in the short run. Second, particularly if the RFP is quite formal, elaborate, and frequent, the consumption of time and energy involved in using it and making decisions on the basis of it may cause dissatisfaction. Third, it is possible that the use of the RFP has forced actors to think in a critical way about their goals and about means for attaining those goals. Such critical thinking may well raise dissatisfaction in general. But this is a "good" form of dissatisfaction in that it is occuring in the context of increasingly self-conscious, goal oriented decision-making.

Program Monitoring and Evaluation

Monitoring. On the basis of our observations of both extent and quality of monitoring we ranked the 15 sites on a nominal scale of high, medium, and low. Eight engaged in a high level of monitoring, five in a medium level, and only two in a low level. This suggests that a reasonably serious approach to monitoring is defined in most instances as an integral part of CETA management.

Table 12: FREQUENCY OF ACTORS' PERCEPTIONS OF REASONS FOR SERVICE DELIVERER SELECTION

Frequency	In Prime Sponsorships with RFP	In Prime Sponsorships without RFP
Most often cited	1. Serve particular clients	1. Serve particular clients
	2. Previous performance	2.5 No alternatives
	3. Political considerations	2.5 Political considerations
	4. No alternatives	4. Economic conditions
	5. Economic conditions	5. Previous performance
Least often cited	6. DOL guidance	6. DOL guidance

Evaluation. We also made judgments about the extent and quality of evaluation in our 15 sites and divided the 15 sites into high and low. Seven were in the former category and 8 were in the latter category.

The presence of evaluation is associated with four other factors. First, evaluation is more likely in primes in which conflict in the system is relatively low. There are two plausible explanations for this. On the one hand, if coping with conflict takes up a large portion of staff time it may be that evaluation is perceived as a luxury and/or as too threatening to institute. On the other hand, the lack of evaluation (which is often tied to an open decision process in which evaluation results are publicized) may contribute to a high degree of conflict because of the suspicion bred by closed systems in which decisions are arrived at on an unknown information base.

Second, evaluation occurs in prime sponsorships in which the staff is generally using high quality information of all kinds in making its decisions.

Third, evaluation is most likely in those primes with the strongest monitoring systems.

Fourth, evaluation is more likely in systems in which all service delivery is contracted out. Self-evaluation of in-house delivery is rare.

Evaluation and Monitoring Considered Together. We merged our separate judgments about monitoring and evaluation to produce a single evaluation/monitoring scale. Four sites ranked high on this scale; six ranked medium; and five ranked low. The same four factors associated with a high degree of evaluation were associated with high placement on this scale. In addition, primes with manual MIS's were more likely to rank higher on the scale than those with automated MIS's. This does not argue against the ultimate utility of automated MIS's. But it does point up the necessity of a staff being ready to use the results of automation in a meaningful way. A staff that thoroughly understands and uses a good manual MIS system can engage in more effective monitoring and evaluation than a staff confronted with a complicated automated MIS that no more than a few people understand and can manipulate.

In general, when we related the degree of evaluation and monitoring present to the degree of budgetary change for service deliverers between FY 76 and FY 77 it appears that monitoring and evaluation are not used to justify cutting deliverers' budgets significantly (defined as more than 15% change in one year). In fact, primes that ranked low on monitoring alone and on monitoring and evaluation combined were the most likely to cut their deliverers. Those ranking low on the evaluation scale alone were the most likely to be unstable--by granting large increases and by making large cuts. Conversely, those primes high on the monitoring scale were the most likely to increase deliverer budgets significantly. Those ranked medium on the combined scale, when contrasted to those ranked low, were most likely to grant increases. And those high on the evaluation scale alone were most likely to make only marginal budget changes for individual deliverers. Thus, deliverers cannot rationally fear increased monitoring and evaluation. In fact, increases in both tends to bring either stability to the budgetary decisions in the system or increases to existing deliverers.

Presumably these decisions are better justified and more "rational" because of the existence of good monitoring and evaluation.

Use of the Employment Service in CETA

Nine of our 15 sites rely on the Employment Service for important segments of their Title I programs. The other 6 sites make only moderate to low use of ES.

When budget change is examined for those sites using ES several patterns become apparent. First, there was relatively little significant change (defined as more than 15%) between FY 75 and FY 76, and what significant change did occur was usually in an increasing direction. Second, there was more change between FY 76 and FY 77--about half remained relatively stable and about half changed more than 15%. Of those changing there was close to an even balance between those increasing (3 cases) and those decreasing (4 cases). Thus, overall, ES has retained its importance at these sites but prime sponsors seem more willing to make negative judgments in budgetary terms when they think they are justified.

Several factors are associated with a larger role for ES. Such a role is more likely in primes that are larger in population, have an open decision-making process, and have political officials with a relatively strong commitment to job placement.

Perceptions of ES performance by actors in the systems are mixed. Over time it seems that there has been a small shift toward more favorable views of ES.

When asked why ES was chosen as a deliverer, three reasons were cited most often: the absence of alternatives (ES has been large and important for many decades and is an obvious repository of manpower experience and maybe expertise); the quality of its previous performance (some actors are quite pleased with the performance they have observed); and Department of Labor guidance (the continuing campaign by DOL to persuade primes to use ES).

STAFF MANAGEMENT OF CONFLICT

In this section, we shall analyze the conflict that has occurred in the fifteen national sites and staff efforts to deal with conflict. We shall attempt to characterize the conflict that we have observed and seek to explain its roots. Similarly, we shall attempt to isolate the factors that are related to prime sponsor strategies for dealing with various actors. We shall not attempt to assess the results of conflict or the results of prime sponsor strategies. Those tasks are reserved for a later section of this report.

By and large, conflict was not a serious problem in our national sites. CETA was not the subject of either loud or continuing public debate. What conflict did exist tended to center on the funding of service deliverers or the related question of the locus of authority for making service deliverer funding decisions. By comparison, the more abstract question of program choice received very little attention. Even the

question of the distribution of services among various community groups (minorities, women, and so on) received little attention, except when segments of the community objected to a service delivery funding decision that was interpreted as having ethnic overtones.

If the intent of the legislation was to encourage discussion of the proper distribution of resources among groups via the mechanism of the planning council, then that intent has not been fulfilled. Debate centers around the choice of service deliverers and other issues are aired only in that context, if at all. Consequently, a staff that is unwilling to endure some degree of conflict will probably be unable to effect changes in its prime sponsor service delivery system because that sort of initiative is most likely to lead to conflict.

The primary measure of conflict to be used in the following analysis rests on the judgment of our field research teams assigned to the various prime sponsorships. Each team ranked its site on a five point scale ranging from high conflict to low conflict. Eight of the 15 sites were judged to exhibit low conflict, five were ranked as either moderate or low-to-moderate, and only two were viewed as having more than moderate conflict. These judgments were in fairly close agreement with the judgment of our interview respondents at the sites, who also felt that conflict in their prime sponsorships was generally low. Given a three point scale (1 = a lot, 2 = some, 3 = not much), respondents, on the average, gave only two of their sites a score less than 2.0. These were, incidentally, the same sites that we judged to have more than moderate conflict. We will use our measure rather than average questionnaire response because our staff has had experience with other sites as a basis of comparison, whereas our respondents lacked any such basis.

It is clear that service delivery decisions are generally related to conflict, but are there more specific aspects of prime sponsor characteristics or behavior that are related to conflict? Our staff judged each prime sponsorship on a number of different characteristics, many of them related in some way to service delivery. We used these measures to test a number of specific hypotheses. The hypotheses dealt with context, staff aggressiveness, divergent values, and openness of the decision-making process. We used correlational analysis to test for relationships. In general, the correlations were very low and a number were in the opposite direction from that expected.

Context

We felt that a number of different factors that form the context of the relationship between staff and service deliverers could increase the likelihood of conflict. Two of these factors relate to the amount of Title I funding received by the prime sponsorship. We hypothesized that conflict is more likely when Title I funding is declining from year to year and when the formula-determined total is small relative to the size of the labor force. In both cases, service deliverers would have to accept less: in the first case, less than the year before; in the second case, less than service deliverers receive in prime sponsorships of similar size. A third factor that cannot be changed is the size of the minority

population (defined as the sum of the nonwhite and Spanish speaking populations, converted to percentages, as measured in the 1970 census). A larger minority population was hypothesized to make conflict more likely because it would increase the possibility of an ethnic struggle superimposed on the possibility of a purely organizational struggle for funds and staffing. A final factor that is beyond the control of the prime sponsor is the amount of pre-CETA experience accumulated by service deliverers. The greater the proportion of agencies with such experience, we hypothesized, the more likely it is that they will be set in their ways and resist staff attempts to change their behavior, thus generating conflict.

Two final factors help form the context for conflict, and these are under the control of the prime sponsorship. If conflict is most likely the result of prime sponsor/service deliverer relationships, then it seems reasonable to suppose that conflict is more likely when there are more prime sponsor/service deliverer interactions. These interactions, in turn, are more likely when a greater proportion of a prime sponsor's Title I funds are used to fund outside agencies rather than to operate programs internally. They are also more likely when a prime sponsor funds programs normally operated by outside agencies (work experience and classroom training).

The context variables tended to produce only low to moderate correlations. Only one was statistically significant[1/] at even the .10 level. The experience of service deliverers was not found to be positively related to conflict. In fact, the relationship was negative (a correlation of -.38). A review of the data indicates that this result was due in part to the distributions of values for the two variables: conflict tended to be low in most prime sponsorships, while agency manpower experience was quite high. In such relationships a few cases can have a major impact on the correlation. This seems to have happened here. Given the circumstances, we hesitate to say that conflict is more likely where service deliverers are new. It is also plausible, of course, to hypothesize that experienced deliverers would create conflict through resistance to staff decisions <u>if those decisions were threatening</u>. It may be that in our sites experienced deliverers had sufficient influence in the decision-making process to prevent decisions they did not like. Thus there was no reason for conflict to emerge.

Three of the remaining five relationships were also in the direction opposite that predicted, but they were very weak relationships. Conflict tended to be slightly more severe where Title I funding was increasing, where subcontracting was less extensive, and where a relatively small share

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[1/] At various points in the analysis we have used tests of statistical significance, even though the 15 national sites do not constitute a sample. Social scientists are divided over whether this is a proper use of the significance test. For readings on both sides of this question, see Morrison and Henkel (1970). Given the debate, we also report correlations that are not technically "significant" but that are, at minimum, suggestive of important relationships. The general rule of thumb that "the higher the correlation, the more meaningful it is," should also be remembered given both the debate over the use of significance tests and the relatively small number of cases with which we are dealing.

of funds was devoted to classroom and work experience programs. The failure of the first of these hypotheses seems to be due in large part to the exceptional behavior of two prime sponsorships: Duluth and Sacramento-Yolo. Duluth suffered the greatest funding cut in our fifteen national sites (down to 73% of 1974 funding levels without adjusting for inflation) while Sacramento-Yolo was among the more fortunate (124%). As the site reports have indicated, Duluth has enjoyed a remarkable degree of community-mindedness in the manpower arena. All funded agencies were willing to accept their shares of the cut. On the other hand, the Sacramento-Yolo consortium experienced the most conflict of the fifteen sites. But this conflict was not typical. Service delivery questions were involved; but so too were a large number of other matters. It is not likely that funding levels would have much impact on that kind of problem. If these two sites were excluded, the relationship between conflict and funding cuts would probably be positive, as hypothesized. But even then, the relationship would not be a very strong one.

The extent of subcontracting and the size of programs normally operated by outside agencies were also negatively related (very weakly) to the amount of conflict, contrary to our expectations. It would appear that so long as there are some service deliverers receiving some share of funds, the context for conflict is obtained. The degree of conflict would then depend on the way in which the staff-deliverer relationship is managed rather than on the number of such agencies (at least within reasonable limits) or on the size of their contracts.

The size of the minority population was not highly correlated with conflict, although it was in the expected direction. This lends credence to our earlier observation that conflict in our 15 sites generally involved the simple question: which agencies get how much money with how much autonomy? The share of services that eventually are allocated to various ethnic or minority groups in a community is publicly discussed only infrequenly. It also seems to be generally true that our national sites have given minority groups a reasonable share of services. (See the section on program participants, below.)

The amount of funding relative to the size of the labor force did produce negative correlation with conflict, as expected, but the relationship is weak and so we claim little about it.

In short, none of the contextual variables produced a significant positive correlation with conflict. This is probably not surprising, given that even as hypothesized, the relationships are indirect; they set the stage for conflict, but probably do not cause it. Consequently, even though the correlations are generally low, it is still possible that some of these variables are important for the understanding of conflict. Only a much larger data base would allow us to test the various indirect relationships in a confident way. Until such data are available, discussions of the context for CETA conflict must remain somewhat speculative and be based primarily on first-hand observation.

Staff Aggressiveness

The second group of hypotheses argues that an aggressive staff will have to deal with more conflict than a staff that takes a laissez faire attitude toward its subcontractors. Aggressiveness is measured in eight different ways: extent of monitoring, quality of monitoring, extent of evaluation, quality of evaluation, the extent to which evaluation results affect funding decisions, the extent to which the refunding of service deliverers is treated as an open question, and the general quality and experience of the staff. These last two variables are included because the less able staffs spend so much of their time trying to keep up with mere management routine that they have little energy left for initiatives directed toward service deliverers. The less experienced staffs suffer from a similar problem. They too have had to spend more time on the purely mechanical aspects of their operations than staffs that were familiar with manpower program operations prior to CETA.

The only two significant relationships were found between quality of monitoring and conflict (-.48) and quality of evaluation and conflict (-.47). They were both in the opposite direction from that hypothesized. (There were also moderate negative correlations with extent of both monitoring and evaluation.) These aspects of staff aggressiveness did not generate conflict. In fact, the regularization of these relationships seems to have reduced conflict. This is in line with the comments made in interviews by some service deliverers that they would like to be monitored and evaluated on the basis of explicitly stated criteria and program goals. They prefer this to capricious or arbitrary judgments about how they were doing. Thus the reluctance of some prime sponsorships to institute good monitoring and especially good evaluation on the basis that they are too threatening to service deliverers and would produce an unacceptably high level of conflict in the system is ill-founded. It might be claiming too much to say that starting or improving monitoring and/or evaluation will cure conflict, but we can say with some confidence that it is not likely to create new conflict.

Divergent Values

The third group of hypotheses considers the respective values of relevant actors. Our observations, both in Ohio and in the national sites, indicate that a common cause of conflict is a staff desire to improve performance in ways that run against a service deliverer desire to serve the most disadvantaged. This is particularly true when the service deliverer is a community action agency, since the CAA has a legal mandate and often an emotional commitment to serve the very poor. We hypothesized that prime sponsors that have staffs with strong placement orientations or prime sponsors whose service deliverers are particularly committed to service to the disadvantaged are most likely to experience conflict.

The values we felt we could measure did not serve to explain conflict very well. One relationship (staff commitment to placement) was negative and one (deliverer commitment to the disadvantaged) was positive, but both were so weak as to offer no support for generalizations.

Openness of the Decision-Making Process

We hypothesized that an open decision-making process would be related to less conflict than a more closed process. Specifically, we felt that where the MAC was more active and influential there would be less conflict. We felt that those prime sponsorships in which the decision process was perceived to be open by the actors would have less conflict. And we felt that in those cases in which service deliverers were perceived to have considerable influence there would be less conflict because there would probably be less suspicion.

The correlations in fact all turned out to be positive. One (with the MAC) was very low but the other two were reasonably high (.33 in the case of perceptions of openness and .49 in the case of service deliverer influence).

In a general sense, then, opening the decision-making system does not reduce conflict. It may even increase it, at least for the short-run. What may be very important, however, is that the conflict is likely to be focused on such central questions as goals, target groups, and performance rather than on petty bickering, personalities, suspicion of favoritism for some deliverers, ethnic rivalries, and other concerns that are frequent in prime sponsorships with closed decision systems. The former conflicts are important and legitimate points that need to be debated in open. The latter conflicts are petty and usually unproductive from the point of view of improving quality of programs and service delivery. To the extent that conflict is focused on important questions by opening the decision-making system and to the extent that that focus dispels petty and unimportant squabbles, we continue to believe that opening the system makes good sense. It cannot be argued as a selling point that opening decision-making will reduce conflict in all cases but it certainly can be argued that it will help focus disagreement on important issues.

A Closing Note

In our progress reports we repeatedly took the position, based on our observations at the sites, that a staff that sought to avoid all conflict also usually avoided hard programmatic choices that ultimately would serve the participants better. We continue to take that position. Obviously, we have not found what "causes" conflict or relative absence of conflict in a strictly correlational sense. Perhaps our most significant finding is that one central staff activity often interpreted as aggressive—the institution or improvement of systematic monitoring and evaluation of service deliverers--does not lead to increased conflict, but in fact it may lead to decreased conflict. But even those actions that may lead to increased conflict--especially opening the decision process--can also have salutary effects if they help focus the debate and disagreement on important issues the prime sponsorship should face rather than avoid.

RELATIONS WITH BUSINESS AND ORGANIZED LABOR

In this section we will briefly describe the extent of business and organized labor involvement in CETA and then attempt to explain why it occurs in some sites but not in others.

By business involvement we mean the extent to which the prime sponsor has been able to elicit the interest and participation of businessmen in the CETA program. This topic was a standard part of each of our fifteen site reports during the past year. Those discussions were used to develop a summary measure, ranked from high to low, for each of the national sites. On that basis, five of the sites were ranked medium high, one was ranked medium, three were ranked medium low, and six were ranked low in their ability to elicit business involvement.

It seems worthwhile to note the kinds of activities for which sites were given medium high rankings, both so the meaning of the measure can be better understood and so readers of this report can profit from the innovations we observed. Dallas County had a job fair that brought CETA clients and employers together. It also gave the local Chamber of Commerce a job development contract. Denver had organized conferences between its staff and employers; it also subcontracted with a private, for-profit corporation to do assessment and placement. Duluth's MAC surveyed employers who had hired CETA participants and used the responses to make changes in the CETA training program. Duluth also has instituted an advisory board consisting of representatives from business, labor, the CETA staff, and area vocational-technical schools to suggest ways in which the broader vocational education establishment can serve the needs of industry in the area. Wilmington has developed new courses in such high paying skills as pipefitting and shipfitting in close consultation with a local shipbuilder, which has in turn hired most of the graduates of the course.

In general, those prime sponsors that subcontracted all programs were less successful in eliciting business cooperation than those that retained some or all programs in-house.

Success in involving business is related to the proportion of businessmen on the MAC. The correlation is reasonably high and would be substantial except that one prime sponsor with a low degree of business involvement had a large number of businessmen appointed to a council that never met. The only other major exception was a prime sponsor that delegated responsibility for developing business ties to service deliverers. Business involvement seems to be enhanced when a prime sponsor has a large proportion (roughly 15% or more) of businessmen on an active and influential council and when the staff makes liaison with business a major priority. Appointing a major local employer to the chairmanship of the council will often produce some desired results. It is clear from our experience both in Ohio and in the national sites that close cooperation between local employers and the CETA program does not come easily. Employers generally want to hire the most qualified applicants available; they are unlikely to believe that such applicants will be found on the CETA rolls. Only close cooperation is likely to change that impression.

There is less to say concerning labor involvement simply because there is so little. There were labor representatives on almost all of the councils. Often labor was heavily represented on these councils. But frequently labor's interest was quite narrow, focusing on the impact of CETA programs on the promotion opportunities or other such concerns of municipal and county employees. In other cases, labor representatives on the councils simply acted as individuals concerned with the success of a government program, not as representatives of a larger organization with specific interests.

Lowell and King-Snohomish are major exceptions. They both sponsored apprenticeship programs for CETA participants. This emphasis on training in the skilled trades is clearly the most valuable direction for CETA/union cooperation to take, because only union participation will give CETA participants a chance to enter these occupations.

A few other prime sponsorships (notably Dallas County and the Birmingham Consortium) have taken smaller steps to use unions to get participants into the skilled trades.

III. PROGRAM PARTICIPANTS

DESCRIPTION OF TITLE I PARTICIPANTS

Table 13 shows the characteristics of Title I participants enrolled and entering employment for the nation, the state of Ohio, and the 15 national sites for three selected quarters. The percent of any group enrolled is calculated by dividing the number of that group enrolled by the number of all individuals enrolled. The percent of any group entering employment is calculated by dividing the number of that group entering employment by the number of all individuals entering employment. As the table shows, the two percentages can vary considerably. That is, the characteristics of those served through enrollment in CETA and those who enter employment from a CETA slot are different.

The three quarters used in Table 13 were chosen for specific reasons. December, 1974, is the earliest date for which complete data are available, and thus gives an early reading, based on cumulative data for two quarters. June, 1975, is used because the data are cumulative for the first full year of CETA. September, 1976, is used because the data are cumulative for the five quarters beginning in July, 1975. Data were also available for December, 1976, but were not used because they represented only the first quarter of Fiscal 1977.

Primary attention in analyzing the data presented in this section will be devoted to discussing the participant service patterns and changes in the 15 selected prime sponsors, and relating these to national trends. The Ohio figures have been added for comparative purposes and the discussion of Ohio results will be limited to noting the relationship between patterns uncovered in the selected sites and those found in Ohio, except in those cases in which Ohio patterns diverge noticeably from the national patterns or those found in the 15 selected sites.

Patterns of enrollments revealed by Table 13 are as follows:

1. Nationally, in Ohio, and in the 15 sites, participants are becoming less young.

2. In all 3 groups, participants are becoming better educated.

3. Nationally, the percentage of nonwhite participants has remained virtually unchanged. In Ohio, the percentage has declined somewhat. In the national sites it has increased somewhat.

4. In all 3 prime sponsor groupings, Title I participants have become less disadvantaged. However, economically disadvantaged participants still account for at least 3/4 of all participants in all three groups.

5. The percentage of females in all three groups has stabilized after an initial moderate decline.

Table 13: CHARACTERISTICS OF TITLE I PARTICIPANTS ENROLLED AND ENTERING EMPLOYMENT, U.S., OHIO, AND NATIONAL SITES, SELECTED QUARTERS, 1974-1976

(percentage enrolled are the numbers not in parentheses; percentage entering employment are the numbers in parentheses)

Characteristic	% of All U.S. Participants			% of All Ohio Participants			% of Participants at 15 National Sites		
	12/31/74	6/30/75	9/30/76	12/31/74	6/30/74	9/30/76	12/31/74	6/30/75	9/30/76
Female	49 (43)	45 (43)	46 (43)	47 (41)	44 (43)	43 (40)	47 (42)	45 (41)	46 (43)
Non-white	46 (43)	44 (40)	45 (36)	58 (29)	55 (57)	52 (47)	37 (28)	39 (32)	42 (33)
Under 22 Years of Age	65 (45)	62 (41)	57 (38)	68 (45)	61 (36)	55 (38)	64 (54)	63 (39)	52 (39)
With 12 Years or More Formal Education	34 (53)	39 (57)	46 (63)	34 (54)	38 (62)	47 (62)	36 (51)	38 (58)	51 (65)
Economically Disadvantaged	81 (73)	78 (76)	78 (68)	84 (74)	82 (76)	76 (63)	81 (81)	78 (76)	75 (65)

When the focus is changed from service measured by enrollments to service measured by those entering employment, the data show that the percentage of females, non-whites, economically disadvantaged, and those under 22 has generally been below the percentage of each group enrolled. This pattern holds for all three groupings of prime sponsorships and across time periods. The percentage of those entering employment with more than 12 years of formal education, on the other hand, has been consistently higher than the percentage enrolled.

Changes in the percentages of each group entering employment usually conform to changes in the level of enrollment of each group. Thus, for example, decreases nationally in the level of enrollment of persons under 22 were accompanied by decreases in the percentage of this group entering employment.

Table 14 analyzes entered employment patterns for the 15 national sites on an individual basis. The table is designed to underscore differences between the enrollment of a group and the entered employment status of a group. A cell is marked if that difference is 5% or more.

The most striking patterns revealed by Table 14 involve education and age. There is more than 5% difference between enrollment figures and entered employment figures for almost every prime sponsorship and, with only one exception, the entered employment rates are considerably higher than the enrollment rates for those who have more education and are older. This is in large part attributable to youth work experience programs that do not have placement as a goal. There were similar cases of substantially lower entered employment rates for non-whites (six cases), economically disadvantaged (four cases), and females (three cases). These were offset by only one case for economically disadvantaged and one case for females in which the entered employment rate was 5% or more higher than the enrollment rate.

We also inspected the same data for the 17 Ohio prime sponsorships. Similar patterns were present in the case of education and age. In thirteen of the Ohio prime sponsorships the entered employment rate exceeded the enrollment rate for those with at least a high school education by 5% or more. None reported a difference in the other direction. In fourteen, again with no contrary cases, the entered employment rate was less than the enrollment rate by 5% or more for those under 22. There were, however, more consistent patterns of difference in Ohio than in the national sites in the case of both economic status and gender. Ten Ohio primes reported the entered employment rate as less than the enrollment rate by 5% or more for economically disadvantaged participants, with only one contrary case. Six Ohio primes reported the same pattern for females, with two contrary cases. Six Ohio primes reported this pattern for nonwhites, with three contrary cases.

DESCRIPTION OF TITLES II AND VI PARTICIPANTS

Title II

Table 15 shows participant characteristics for all individuals enrolled in Title II for the three groupings of prime sponsorships. In this table

Table 14: ANALYSIS OF ENTERED EMPLOYMENT PATTERNS COMPARED TO ENROLLMENT PATTERNS, NATIONAL SITES, SEPTEMBER, 1976, TITLE I

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Prime Sponsorship	% Entered Employment Exceeds % Enrolled by 5% or More					% Entered Employment is Less Than % Enrolled by 5% or More				
	Female	Non-white	Under 22	High School or More	Economically Disadvantaged	Female	Non-white	Under 22	High School or More	Economically Disadvantaged
Connecticut				X						
Lowell								X		
Cumberland, NJ				X						
Yonkers				X			X	X		
Wilmington				X		X	X	X		
Luzerne								X		
Birmingham				X		X	X	X		X
Cumberland, NC	X			X			X	X		X
Du[illegible]th				X	X			X		
Arkansas				X			X	X		X
Dallas							X	X	X	
Central Iowa				X				X		X
Denver								X		
Sacramento-Yolo				X				X		
King-Snohomish				X		X		X		

Table 15: CHARACTERISTICS OF TITLE II PARTICIPANTS ENROLLED, U.S., OHIO, AND NATIONAL SITES, SELECTED QUARTERS, 1974-1976

Characteristic	% of All U.S. Participants				% of All Ohio Participants				% of Participants [a] at 15 National Sites			
	12/74	6/75	6/76	12/76	12/74	6/75	6/76	12/76	12/74	6/75	6/76	12/76
Female	35	35	36	39	27	33	30	36	31	39	40	39
Non-White	31	32	39	33	47	42	37	24	23	28	25	25
22-44 Years Old	63	63	64	64	64	62	66	65	65	68	68	67
With 12 or More Years Formal Education	74	75	74	75	67	72	75	78	76	78	81	79
Economically Disadvantaged	46	45	47	45	36	43	38	32	43	49	51	48

[a] 12/74 figures do not include Dallas County, which had no program, BOS Conn. where no data were available, and Wilmington Del., which had no enrollees that quarter.
6/75 figures also do not include Dallas County.
6/76 figures exclude Dallas County, which had no program, and Birmingham, Alabama for which no data were available.
12/76 figures include all 15 sites.

we have used figures for June and December, 1976, instead of those reported in September, 1976, in order to determine the impact of the movement of participants between Titles II and VI, which began late in FY 76. The June figures represent the composition of participants just prior to a large scale shifting between Titles. The December figures represent the composition after most of the movement had taken place.

For the nation as a whole, during the period from December, 1974, to June, 1976, there is substantial increase in service to nonwhites. Levels for the other groups remained fairly stable during this period, although there were some very slight increases in service to women, 22-44 year olds, and economically disadvantaged participants. After June of 1976 there are several significant changes in the national Title II service patterns. First, there is a significant increase in the percentage of women served. There is also a decline in the level of service to the economically disadvantaged. The average age and educational background of Title II participants remained about constant.

Overall, client service patterns for the 15 selected prime sponsors show a great deal of stability. The one noticeable change occurred between December, 1974 and June, 1975. By the end of FY 1975 there were significant increases in the rates of service in all five categories of participant characteristics being analyzed, in comparison to the December, 1974 levels. From that point on there is very little change in the aggregate service levels for Title II participants in the 15 selected sites. The changes evident for the nation and for the state of Ohio in Title II service rates after June, 1976, do not appear in the aggregate figures for the 15 selected prime sponsors, except for a decline in service to the economically disadvantaged.

The changes in Title II participant characteristics that appear after June, 1976, are primarily because of changes in CETA policy. In the spring of 1976 many prime sponsors were running out of Title VI money, and the Title VI extension was bogged down in Congress. In March, emergency supplemental funds were received under Title II. Subsequently all restrictions on moving PSE participants between Titles were removed. During the late spring and continuing through the summer of 1976, prime sponsors moved many, and in some cases, all, of their Title VI participants into Title II. Thus, the December, 1976 figures reflect the impact of this movement of people out of Title VI and into Title II.

Title VI

Table 16 shows participant characteristics for all individuals enrolled in Title VI for the three groupings of prime sponsorships. The national pattern was for service to women and nonwhites to increase between June, 1975, and June, 1976, with service levels in the other categories remaining essentially the same. By December of 1976, with many fewer participants enrolled, Title VI service rates for nonwhites declined while service to the economically disadvantaged increased. This change was particularly dramatic in the case of the economically disadvantaged. In June, 1976, the rate of service to this group was three percent higher in Title II than in Title VI. By December, 1976, the relationship was reversed, with the percentage of economically disadvantaged participants in Title VI being 5 percent higher than in Title II.

Table 16: CHARACTERISTICS OF TITLE VI PARTICIPANTS ENROLLED, U.S., OHIO AND NATIONAL SITES, SELECTED QUARTERS, 1975-1976

Characteristic	% of All U.S. Participants			% of All [a] Ohio Participants			% of Participants [b] 15 National Sites		
	6/75	6/76	12/76	6/75	6/76	12/76	6/75	6/76	12/76
Female	29	35	36	35	34	35	29	33	33
Non-White	29	32	29	28	26	27	23	25	15
22-44 Years Old	65	64	65	62	64	63	66	66	65
With 12 or More Years Formal Education	74	74	75	77	76	80	74	79	78
Economically Disadvantaged	43	44	50	37	34	38	46	45	44

[a] 8 of Ohio's 17 Prime Sponsors no longer had Title VI programs by 12/76.

[b] 6 of the 15 sites no longer had Title VI programs by 12/76.

There are two possible explanations for this pattern. The first is that prime sponsors did not transfer Title VI participants to Title II in a random fashion. Thus, a higher percentage of nonwhite and economically disadvantaged participants were probably transferred than remained on Title VI. This choice was probably influenced by the new Title VI eligibility requirements, which imposed stricter income qualifications on Title VI participants. Taking note of this change, many prime sponsors may have decided to reduce future problems by leaving a high percentage of economically disadvantaged participants on Title VI. The second possible explanation takes into account the fact that some prime sponsors were no longer operating Title VI programs by December, 1976. If these prime sponsors were systematically different in the types of clients they served in comparison to those still operating programs, this could account for the pattern of change described above.

The patterns of Title VI service for the 15 selected prime sponsors were slightly different than those for the nation and Ohio. There was an increase of enrollment of women, nonwhites and those with 12 or more years of education between June, 1975, and June, 1976. There was only one significant change in enrollment between June and December of 1976. There was a substantial decrease in the rate of service to nonwhites. As noted above, many prime sponsors no longer had Title VI programs by December, 1976. This aggregate decrease in service seems to be explained by the fact that the sites not reporting Title VI activity in December included many containing high concentrations of non-white participants. Thus, the aggregate figures, based on a reduced number of sites, showed a decrease in service to nonwhites.

Titles II and VI Considered Together

As the above discussion implies, it is difficult to sort out the differences between real changes in Title II and VI service patterns, and apparent changes caused by changes in reporting practices, or movement between the two titles. Furthermore, many would argue that the two programs were essentially the same, especially since the elimination of restrictions on movement between the titles, and one should devote attention to the overall PSE client service patterns, rather than looking at the two Titles separately.

In Table 17, data on participant service, both enrollment and entered employment, for Titles II and VI have been combined. These figures would seem to be the most reliable for identifying real changes in PSE participants since they include cumulative totals for the four quarters ending in June, 1975, and the five quarters ending in September, 1976, which takes into account the summer of 1976 when much of the switching between Titles was taking place. On the basis of the data shown in Table 17, the following general statements about PSE participants seem warranted:

1. Nationally, PSE enrollments included an increasing percentage of women and nonwhites.

2. The age, educational background, and income status of PSE enrollees in the nation has remained stable.

Table 17: CHARACTERISTICS OF TITLES II AND VI PARTICIPANTS COMBINED, ENROLLED AND ENTERING EMPLOYMENT, U.S., OHIO, AND NATIONAL SITES, FY 75 and FY 76

(percentage enrolled are the numbers not in parentheses; percentage entering employment are the numbers in parentheses)

Characteristic	% of All U.S. Participants		% of All Ohio Participants		% of Participants at 15 National Sites	
	6/75	9/76	6/75	9/76	6/75	9/76
Female	32 (29)	36 (35)	34 (27)	33 (31)	35 (30)	36 (35)
Non-White	29 (23)	33 (23)	36 (23)	27 (23)	28 (27)	25 (23)
22-44 Years Old	64 (69)	64 (68)	62 (69)	64 (69)	68 (71)	65 (67)
With 12 or More Years Formal Education	74 (77)	75 (78)	74 (73)	77 (80)	77 (82)	76 (75)
Economically Disadvantaged	44 (42)	44 (39)	41 (40)	35 (31)	47 (40)	47 (37)

3. Ohio diverged from the national pattern in exhibiting a pattern of decreasing enrollments of nonwhites and the economically disadvantaged. Ohio also increased enrollments of 22-44 year olds and of those with 12 or more years of education.

4. The 15 selected prime sponsors also diverged from the national trend by decreasing enrollment of nonwhites.

5. In contrast to Ohio, enrollment of women in the 15 selected prime sponsors increased slightly, which conformed to the national trend. Also, the Ohio pattern of increasing enrollment of 22-44 year olds and those with 12 or more years of formal education was reversed for the 15 selected sites, although the absolute level of service to these groups was comparable.

The PSE entered employment patterns shown in Table 17 are very similar to those for Title I shown in Table 13. Females, nonwhites, and the economically disadvantaged enter employment at a lower rate than they are served. The opposite is true for 22-44 year olds, and those with 12 or more years of formal education. This pattern holds for all three sets of prime sponsors. In general, there was very little change in these relationships over time, except for an increasing percentage of females to enter employment in FY 76.

In Table 18 the relationship between PSE participants enrollment rates and entered employment rates are broken out for each of the 15 selected prime sponsors. As was the case with Title I (see Table 14), the most widely shared patterns are those concerning age and educational background. However, it should be noted that the number of prime sponsors conforming to these and the other trends described above is significantly lower for PSE than for Title I. It is also true that the selected sites were much less likely than the Ohio sites to follow the national pattern of different levels of service in client categories for those entering employment compared to all clients enrolled.

EXPLAINING PARTICIPANT SERVICE PATTERNS

This section attempts to account for variations in participant service patterns among the 15 selected prime sponsors, the differences between Title I and PSE programs, and the changes in characteristics over time. The primary thrust of the analysis is on the level of service and changes in the level of service to females, economically disadvantaged, and nonwhite groups. The attention accorded females coincides with the growth of interest in research on the labor force participation of women. The latter two groups are given emphasis as it was argued that they would suffer most in loss of services from a decentralized and decategorized program such as CETA (see Mangum and Snedeker, 1974:309).

The following sets of factors will be utilized to contribute to an understanding of client service patterns: 1) local economic conditions and demographic characteristics; 2) local programmatic decisions; 3) relevant attitudes of influential local manpower actors; 4) Manpower Advisory Council influence and activity; 5) specific management decisions; and 6) the impact of national policy and regional office activities.

Table 13: ANALYSIS OF ENTERED EMPLOYMENT PATTERNS COMPARED TO ENROLLMENT PATTERNS, NATIONAL SITES SEPTEMBER, 1976, TITLES II AND VI COMBINED

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Prime Sponsorship	% Entered Employment Exceeds % Enrolled By 5% or More					% Entered Employment is Less than % Enrolled By 5% or More				
	Female	Nonwhite	22-44	High School or More	Economically Disadvantaged	Female	Nonwhite	22-44	High School or More	Economically Disadvantaged
Connecticut			X	X						
Lowell			X	X						X
Cumberland, NJ										
Yonkers					X	X	X			
Wilmington			X			X				X
Luzerne			X	X		X				
Birmingham							X			
Cumberland, NC				X						X
Duluth			X	X		X				
Arkansas										X
Dallas				X						
Central Iowa				X						
Denver			X	X			X			X
Sacramento-Yolo	X			X						
King-Snohomish		X								

Local Economic Conditions and Demographic Characteristics

Economic conditions and demographic characteristics may directly affect the pool of potential CETA applicants. The following section presents the results of a variety of analyses designed to assess the relationship between economic conditions and client service patterns.

1970 Census Data. Initially, service patterns as of September, 1976, were compared with 1970 Census data. It is recognized that census figures are dated, but they provide a starting point. The 1970 percent unemployed who were non-white, female, and those living in families below the poverty level were considered. The poverty figure was used as a surrogate measure of the number of economically disadvantaged. For Title I, six of the 15 prime sponsors served a smaller percentage of females than the percent unemployed who were female. One prime sponsor served a smaller percentage of non-whites than the percent of nonwhites unemployed. All 15 served a higher percentage of economically disadvantaged than the percentage of persons in families below the poverty level in their area.

For PSE (Titles II and VI combined), 11 of the 15 sites served a lower percentage of women than was represented in the unemployed census figures. Three prime sponsors served a lower percentage of nonwhites than the percentage unemployed who were nonwhite. One site served a lower percentage of economically disadvantaged than the percentage of persons living in families below the poverty level.

Careful inspection of the relationship between participant service data and census data leads to the conclusion that service levels are not determined by variations in the composition of the unemployed population. Prime sponsors with quite similar demographic make-ups vary considerably in service levels to the same groups. Basic demographic composition may serve as an outer limit on variation in participant composition, but it does not determine it.

Employment Service Active Files. A more current measure of a prime sponsor's "universe of need" is provided by data derived from the active files of local Employment Services offices. (These data are derived from the Employment Service Automated Reporting System (ESARS).) These files include CETA eligibles such as the unemployed, underemployed, and economically disadvantaged. The active files also include a number of individuals who are currently employed and are seeking new employment. It is difficult to assess the size of this group, but the best estimate is probably 10% or less. To the extent that the non-disadvantaged outnumber the disadvantaged in this group, an overstatement of the incidence of need results.

There are factors, however, that could serve to understate the incidence of need. Some workers ("discouraged workers") may give up their search for employment during recessionary periods. In addition it has been suggested that certain minorities may be reluctant to register with ES (see Camil Associates, 1975).

Finally, the matching of prime sponsorships and ES area offices is an approximation. The data are by place of residence. In addition, individuals may register at more than one ES office. Despite these limitations, the ES

data represent an accessible and current surrogate measure of need within a prime sponsorship.

Table 19 summarizes the relationship (in the form of a simple correlation) between the unemployment rate and 1) ESARS data on percent economically disadvantaged, percent female, and percent white, and 2) enrollment rates for the same demographic groups. The analysis reported was for September, 1976. The same analysis was carried out for all other quarters with similar results. The correlations between the unemployment rate and the ESARS data are for nine sites. The correlations with enrollment rates are for all 15 sites.

The inverse relationship obtained between the unemployment rate and the percent economically disadvantaged in the ESARS population can perhaps be explained by the fact that those who are losing their jobs are not economically disadvantaged. The positive relationship between percent economically disadvantaged in PSE programs and the unemployment rate shows that prime sponsors with high rates of unemployment tended to serve a high percentage of economically disadvantaged in their Title II and VI programs. This suggests that sustained periods of high unemployment may make it easier for prime sponsors to find qualified PSE participants who are economically disadvantaged, even though the percentage of persons on the universe of need who are economically disadvantaged does not necessarily increase. Virtually no relationship was found between the unemployment rate and Title I economically disadvantaged clients.

The inverse relationship between the unemployment rate and ESARS for females is also evident in the Title VI program; no relationship exists for Titles I and II. The implication of these correlations is that relatively more men than women are losing their jobs. The Title VI service might be said to reflect this pattern and as a result serve fewer females when the unemployment rate is high.

The correlations between the unemployment rate and percent white in the ESARS population is quite low. There is, however, a relatively strong negative relationship between the unemployment rate and whites in Title I. A positive relationship is in evidence in the PSE titles. This result is in line with the fact that nonwhites are more represented in Title I than in either Title II or VI.

Table 20 presents an index of the relationship between enrollments in Title I and universe of need estimates for the 15 national sites. ES data were available for 11 of the 15 sites, and census data have been supplied in the other four cases. The most severe problem this latter substitution imposes concerns the category of economically disadvantaged. The census measure of families below the poverty level is not comparable to the ES figures for the economically disadvantaged. Thus, the ratios between participant enrollment levels and universe of need estimates for the economically disadvantaged in the sites for which census data have been supplied should not be compared to the other sites, but can be compared to each other.

Table 20 shows that by September, 1976, only five of the national sites were serving a lower percentage of women under Title I than was present in their universe of need estimates. Title I service to nonwhites

Table 19: RELATIONSHIP BETWEEN UNEMPLOYMENT RATE AND SELECTED DEMOCRAPHIC CHARACTERISTICS, NATIONAL SITES, SEPTEMBER, 1976

	ESARS Data			Title I Enrollments			Title II Enrollments			Title VI Enrollments		
	% Econ. Disadv.	% Female	% White	% Econ. Disadv.	% Female	% White	% Econ. Disadv.	% Female	% White	% Econ. Disadv.	% Female	% White
Correlation with Unemployment Rate	-0.26	-0.44	0.09	-0.09	0.06	-0.39	0.51 *	-0.13	0.24	0.49 *	-0.28	0.34

* Statistically significant at the .05 level. See the footnote on page 32 on our use of significance tests.

Table 20: RATIO OF TITLE I PARTICIPANTS ENROLLED TO ESARS POPULATION FOR SELECTED DEMOGRAPHIC GROUPS, NATIONAL SITES, JUNE, 1975, AND SEPTEMBER, 1976

Prime Sponsor	Females		Nonwhite		Economically Disadvantaged	
	6/75	9/76	6/75	9/76	6/75	9/76
Cumberland, N.J.	.83	1.26	1.59	1.21	5.56	3.33
Luzerne	1.29	1.21	2.00	2.00	3.81	3.81
Connecticut	.98	.78	1.56	1.50	3.23	2.16
Arkansas	1.17	1.13	.70	.69	2.50	3.32
Duluth	1.28	1.26	3.25	3.20	9.40	4.59
King-Snohomish	1.12	1.04	2.82	2.45	1.85	1.67
Birmingham	.96	.93	1.42	1.36	2.23	1.91
Central Iowa	.98	.83	2.60	1.72	3.14	2.46
Cumberland, N.C.	.55	.74	1.22	1.27	1.85	1.79
Sacramento-Yolo	1.10	1.11	1.89	1.58	1.25	1.07
Wilmington	1.18	1.09	2.93	2.50	2.29	3.33
Lowell *	.77	.77	4.00	5.50	16.67	14.50
Denver *	1.26	1.31	3.85	4.15	13.57	13.00
Dallas *	.86	1.04	2.23	1.38	12.50	9.75
Yonkers *	1.45	1.37	4.18	4.64	11.50	8.67

* ESARS data were not available; 1970 census data were substituted.

was below the universe of need estimate for nonwhites in only one site. All 15 sites served a higher percentage of economically disadvantaged persons on Title I than was present in their universe of need estimates.

In Ohio comparable ES and census data were available for 15 prime sponsorships. The relationships between categories of Title I participants and their representation in universe of need estimates were very similar to those in the 15 national sites. Four of the 15 Ohio sites served a lower percentage of women than was present in their universe of need. All 15 served a higher percentage of nonwhites. All except one served a higher percentage of economically disadvantaged than the percentage of these groups in the universe of need estimates.

It is also important to take note of changes in the relationship between client service and the estimated universe of need over time, because this provides some idea of the responsiveness of local prime sponsors to changes in the make-up of the eligible participants in their area. Changes may indicate attempts on the part of prime sponsors to redress what they consider to be imbalances in their service record with regard to certain groups.

Two prime sponsors moved from serving a lower percentage of women in Title I than was present in their universe of need estimates in June, 1975, to serving a higher percentage of women than was included in the estimates for September, 1976. However, two other sites already serving a lower percentage of women in FY 75 than was present in their universe of need estimates significantly decreased that service in FY 76. Among those sites serving a percentage of women that matched or exceeded the universe of need estimates, during both time periods shown, six decreased their level of service to women by September, 1976, while 2 increased it.

Of the 14 sites serving a higher percentage of nonwhites than was present in their universe of need estimates, 9 moved in the direction of reducing this difference, while 6 moved in the opposite direction. The only site to serve a lower percentage of nonwhites than was included in the estimated universe of need exhibited little change in the ratio between these two populations.

Only two primes showed an increase in the ratio of percent economically disadvantaged served to the percent of economically disadvantaged in their universe of need estimate between June, 1975 and September, 1976. In 12 other sites the ratio declined, and in one site it remained the same.

Table 21 shows the relationship between clients served in Titles II and VI combined and an estimate of the pool of CETA eligibles derived from ES active files and 1970 Census figures for selected characteristics in each of the 15 prime sponsors studied. The pattern established in Title I is repeated for PSE in most respects. By September, 1976, almost all of the 15 selected prime sponsors served a higher percentage of non-whites and economically disadvantaged participants than these groups represented in the estimated universe of need. There were four exceptions with regard to nonwhites and three exceptions for the economically disadvantaged. PSE service to females was mixed. Nine of the 15 sites served a lower

Table 21: RATIO OF COMBINED TITLES II AND VI PARTICIPANTS ENROLLED TO ESTIMATED CETA-ELIGIBLE POPULATION FOR SELECTED DEMOGRAPHIC GROUPS, NATIONAL SITES, JUNE, 1975 AND SEPTEMBER, 1976

Prime Sponsor	Females		Nonwhites		Economically Disadvantaged	
	6/75	9/76	6/75	9/76	6/75	9/76
Cumberland, N.J.	0.86	1.03	1.25	1.11	5.56	3.33
Luzerne	0.59	0.76	1.00	1.00	1.27	1.41
Connecticut	0.62	0.60	0.63	0.81	1.68	1.23
Arkansas	0.64	0.50	0.20	0.50	1.33	1.50
Duluth	1.06	1.06	3.00	1.60	4.90	2.53
King-Snohomish	1.07	1.04	1.76	1.35	1.26	1.18
Birmingham	0.66	0.61	1.19	1.07	0.18	0.09
Central Iowa	0.63	0.68	2.50	0.91	1.86	0.85
Cumberland, N.C.	0.55	0.42	1.09	1.02	1.89	1.18
Sacramento-Yolo	0.98	1.00	1.63	1.65	0.92	0.77
Wilmington	1.03	1.00	2.74	2.10	1.61	2.33
Lowell *	0.68	0.73	2.50	1.00	3.17	9.67
Denver *	1.10	1.13	3.15	4.08	7.86	8.00
Dallas *	0.48	0.66	0.42	0.50	3.75	2.88
Yonkers *	0.68	0.68	2.91	2.36	12.83	11.67

* ESARS data were not available; 1970 census data were substituted.

percentage of females than were represented in the eligible population, while the remaining 6 sites served females in roughly the same proportion as their representation in the eligible population. None of the 15 prime sponsors served a significantly higher percentage of females than was present in the ES active file.

Variation among the 15 Ohio prime sponsorships for which data were available in service to females and nonwhites was again, very similar to that present among the 15 selected prime sponsors. Nine of the 15 Ohio sites served a lower percentage of women in PSE than was present in the estimate of their eligible populations. Two of the 15 Ohio sites followed this pattern for nonwhites. There was, however, a very significant difference in PSE service to the economically disadvantaged. Among the Ohio sites, 10 of 15 served a lower percentage of economically disadvantaged than was present in the ES and Census estimates of the eligible populations, compared to only two of the 15 national sites.

In June, 1975, 11 of the 15 national sites were serving a lower percentage of women in PSE than was present in their universe of need estimates. By September, 1976, six of these sites had moved in the direction of narrowing this gap. In two cases the resulting service level matched or exceeded the percentage of women present in their estimated universe of need. Four of the five remaining prime sponsors whose level of PSE service was below that of their universe of need estimates moved in the direction of widening the gap. In one case the ratio did not change.

All three of the prime sponsors serving a lower percentage of nonwhites then was present in their universe of need estimate in June, 1975, showed an increase in service to this group. One that served a significantly higher percentage of nonwhites than was included in the estimates for June, 1975, decreased service to this group to the point that it was serving a lower percentage than contained in the universe of need estimate in September, 1976. Of the 11 sites serving the same, or a higher percentage of nonwhites in PSE than represented in the universe of needs estimates, eight moved in the direction of narrowing this gap, two increased the gap, and one remained the same.

For the economically disadvantaged, two sites in which the PSE service level was below the universe of need estimate moved to widen this gap. One moved from a position of serving a substantially higher percentage of economically disadvantaged than was present in its estimated universe of need in June, 1975, to serving a lower percentage of this group than was present in this estimate by September, 1976. Among those serving a higher percentage of economically disadvantaged in PSE than was present in their estimated universe of need for both time periods, seven moved in the direction of narrowing the gap, while five moved in the opposite direction.

The analysis above focuses exclusively on the relationship between combined Title II and VI participant service patterns and universe of need estimates. It seems appropriate at this point to identify any systematic differences in the level of service between the two Titles. While most of the 15 sites displayed some noticeable differences between service levels in the two PSE Titles on the three characteristics, there were no

systematic patterns of these differences in most cases. The exceptions were Central Iowa and Birmingham, in which the Title VI programs included much lower percentages of females, nonwhites, and economically disadvantaged than the Title II programs, and Luzerne, in which there were many more women and economically disadvantaged persons in the Title VI program than the Title II program. Overall, there was a mild tendency for differences that occurred to be in the form of lower rates of service to women, nonwhites, and the economically disadvantaged in Title VI, but there were many exceptions to this generalization.

The analysis of the relationship between client service and the characteristics of an estimated universe of need population provides further evidence that CETA client service patterns are not determined by demography. All the changes in ratio cited represent changes that might be attributed to the demographic make-up of the eligible populations. However, these changes may also have been the result of many other factors, over many of which prime sponsors can exercise control. All of those changes in the direction of larger gaps between those served and those present in the estimated universe of need are clearly not demographically determined, since the level of participant service and the composition of the estimated universe of need are moving farther apart. The presence of a number of these types of changes in the data just analyzed indicates that demography alone does not determine client service levels.

To conclude our description of client service patterns and the relationship between service levels and the universe of need, the rankings of the national sites shown in Tables 22 and 23 were developed. In both tables prime sponsors were indexed according to their absolute level of service to the economically disadvantaged. The decision to rank the prime sponsors in this way was based on a number of considerations. First, as explained above, the unavailability of comparable universe of need data on this characteristic for all the prime sponsors being studied made the use of the enrollment/ESARS ratio not feasible. Second, the universe of need always includes many more people than any prime sponsor can serve. Thus, one important consideration is the criteria used in selecting CETA participants. To the extent that need factors are emphasized one could expect to find a high percentage of economically disadvantaged participants in any type of prime sponsorship. Therefore, although we recognize the importance of taking into account demographic constraints in evaluating client service records, on this characteristic a ranking based on absolute levels of service is justifiable.

Prime sponsors have been ranked according to the size of the ratio between their service level and the universe of need estimates for females and nonwhites. The highest ratios were given the highest rank. This type of ranking system was preferred because it eliminates the impact of differences in the demographic makeup of the prime sponsorship in evaluating client service records. Thus, high rankings on all three characteristics can be taken as an indication that a prime sponsor is serving a high percentage of economically disadvantaged in absolute terms, and a high percentage of women and nonwhites in relative terms.

One observation that the Title I ranking shown in Table 22 supports is that high rates of service to the economically disadvantaged is not uniformly related to high rates of service on the other characteristics

Table 22: RELATIVE SERVICE TO SELECTED DEMOGRAPHIC GROUPS, TITLE I, NATIONAL SITES, SEPTEMBER, 1976

Prime Sponsor	Economically Disadvantaged		Nonwhite		Female	
	Rank	Percent	Rank	Enrollment/ ESARS Ratio	Rank	Enrollment/ ESARS Ratio
Cumberland, N.J.	1	100	14	1.21	4	1.26
Denver	2	91	3	4.15	2	1.31
Lowell	3	87	1	5.50	14	.77
Birmingham	4	86	12	1.36	11	.93
King-Snohomish	5	82	6	2.45	9	1.04
Duluth	6	78	4	3.20	3	1.26
Dallas	7	78	11	1.38	10	1.04
Sacramento-Yolo	8	76	9	1.58	7	1.11
Arkansas	9	73	15	.69	6	1.13
Connecticut	10	65	10	1.50	13	.78
Central Iowa	11	64	8	1.72	12	.83
Cumberland, N.C.	12	61	13	1.27	15	.74
Luzerne	13	61	7	2.00	5	1.21
Wilmington	14	60	5	2.50	8	1.09
Yonkers	15	52	2	4.64	1	1.37

Table 23: RELATIVE SERVICE TO SELECTED DEMOGRAPHIC GROUPS, TITLES II AND VI COMBINED, NATIONAL SITES, SEPTEMBER, 1976

Prime Sponsor	Economically Disadvantaged		Nonwhite		Female	
	Rank	Percent	Rank	Enrollment/ ESARS Ratio	Rank	Enrollment/ ESARS Ratio
Cumberland, N.J.	1	98	7	1.11	4	1.03
Yonkers	2	70	2	2.36	9	.68
Lowell	3	58	10	1.00	8	.73
King-Snohomish	3	58	6	1.35	3	1.04
Denver	5	56	1	4.08	1	1.13
Sacramento-Yolo	6	55	4	1.65	5	1.00
Duluth	7	43	5	1.60	2	1.06
Wilmington	8	42	3	2.10	5	1.00
Cumberland, N.C.	9	40	9	1.02	15	.42
Connecticut	10	37	13	.81	13	.60
Arkansas	11	33	15	.50	14	.50
Luzerne	12	31	10	1.00	7	.76
Dallas	13	23	14	.50	11	.66
Central Iowa	14	22	12	.91	9	.68
Birmingham	15	4	8	1.07	12	.61

shown. A number of the sites that rank very high in service to the economically disadvantaged have low rankings on service to nonwhites and women. Conversely some of the sites with low rankings on service to the disadvantaged have very high rankings for service to women and nonwhites. Several primes have consistently high rankings across participant categories.

The PSE rankings shown in Table 23 are more consistent across client categories. Prime sponsorships serving a high percentage of economically disadvantaged participants with PSE slots tend to rank high on service to women and nonwhites. The opposite pattern also holds. It is also interesting to note that there is a strong relationship between high service to the economically disadvantaged in PSE and high service to this group on Title I. Thus, the rankings shown in Tables 22 and 23 are similar, with a few notable exceptions.

Local Programmatic Decisions

We have hypothesized that program and service deliverer selection partially determines the type of participant served. Typically, work experience is associated with higher service to the economically disadvantaged and nonwhites while an emphasis on PSE has been associated with a relatively lower stress on minorities and the economically disadvantaged (see Perry and others, 1975). The available data from the national sites do not permit a conclusion concerning the direction of causation between program and client choice. The strength of the relationship between program expenditures and participant service patterns, however, can be examined.

Table 24 presents the relationship (simple correlation) between the distribution of expenditures on the four basic types of Title I programs and the enrollment of the three demographic groups in which we are most interested for June, 1975, and June, 1976. Only the correlations involving PSE for the disadvantaged and women were significant at the .05 level. Title I PSE is not associated with high levels of service to the disadvantaged and, like all PSE, is not associated with high levels of service to women.

The relationship between percent work experience and percent economically disadvantaged participants was very weakly positive in June, 1975, and virtually nonexistent in June, 1976. When the relationship was viewed over all time periods, the result obtained was a correlation of 0.12. (It is likely that the relationship would have been stronger if the two balances of states had been omitted. A large percent of Title I is allocated to work experience programs but service to the disadvantaged ranks fairly low.)

A weak positive relationship was found between percent work experience and percent white in June, 1975. In June, 1976, however, work experience was more associated with nonwhites. In both quarters, percent female was positively related to work experience.

The remaining relationships of interest include the relationships between OJT and classroom training with economically disadvantaged. A negative relationship between OJT and economically disadvantaged was

Table 24: CORRELATION BETWEEN TITLE I PROGRAM EXPENDITURES AND ENROLLMENTS OF SELECTED DEMOGRAPHIC GROUPS, NATIONAL SITES, JUNE, 1975 AND JUNE, 1976

Percentage of Expenditures on:	Enrollments					
	% Economically Disadvantaged		% White		% Female	
	6/75	6/76	6/75	6/76	6/75	6/76
Classroom Training	0.34	0.23	-0.43	0.19	0.04	0.02
OJT	-0.28	-0.08	0.01	0.42	0.07	-0.28
Work Experience	0.11	0.02	0.31	-0.24	0.37	0.32
PSE	-0.59*	-0.53*	-0.03	-0.20	-0.69*	-0.46*

* = significant at the .05 level.

observed for the two time periods (and intervening quarters as well). On the other hand, positive relationships were found between percent expenditure on classroom training and percent economically disadvantaged.

A similar analysis was undertaken for the Ohio prime sponsors. The same inverse relationship between Title I PSE and percent economically disadvantaged was found in both quarters. However, positive relationships were found between Title I PSE and percent white and Title I PSE and percent female in both quarters. The relationships between work experience and economically disadvantaged and percent white were positive, the same as in the 15 selected sites. The relationship between work experience and females is negative, implying that increases in expenditures for work experience are associated with decreases in service to females in Ohio, which contrasts with the national sites.

These relationships suggest that the types of programs funded can have a noticeable effect on the resulting levels of service to certain client groups. However, the choice of service deliverers is also very important in this regard. Central city community based organizations often serve a very different mix of participants than a suburban service deliverer in the same type of program. Thus, prime sponsors have to take into account the history of a deliverer's service to particular groups in attempting to establish a delivery system that maximizes client service goals. The general point, which the findings reported above support, however, is that program choice does have an important and definable effect on participant service. We would expect further research based on program-specific participant data to support this point.

Economic Conditions, Demographic Characteristics, and Programmatic Decisions Considered Together

In this section we attempt, through regression analysis, to sort out the independent impact of unemployment, basic demographic composition, universe of need, and programmatic choice on patterns of CETA service to the economically disadvantaged, nonwhites, and females. Separate regressions were run for each of the three client characteristics for all titles for each quarter. The discussion in this section will focus on selected results obtained for June, 1975, and September, 1976.

When percent Title I white in June, 1975, is regressed on the above set of independent variables, only one variable--percent white in ESARS population, proved to be significant at the .05 level. For every unit change in the ESARS population, the percent white increased 1.5 units. A negative impact on percent white of the unemployment rate, although not statistically significant, was obtained. Of the program expenditures, only percent OJT and PSE entered into the equation; the impact of the other two was too small to be calculated. Expenditures on OJT and PSE exerted a positive impact; the results, however, were not statistically significant.

In September, 1976, the same positive relationship between percent white in the ESARS population and percent white served was in evidence. The remainder of the independent variables did not produce statistically

significant results. With the ESARS variables providing the bulk of explanatory power, the R^2 obtained was .59.[1/]

For both quarters the "percent Title I female" regressions produced no statistically significant coefficients. For June, 1975, the following variables had a positive sign: percent female in ESARS population, percent work experience, percent female in unemployed census population. Only percent PSE expenditures exerted a negative impact. This latter relationship was again obtained in September, 1976. In addition to the above variables (which all were positive) the following explanatory variables had positive signs: expenditures on classroom training and OJT and the unemployment rate. The adjusted R^2 for each quarter was .42 and .46, respectively.

The regressions for economically disadvantaged did not produce statistically significant coefficients. In June, 1975, only 3 variables were entered into the equation: percent PSE, work experience, and the percent economically disadvantaged in the 1970 census population. The program variables were negative and the census variable was positive. The adjusted R^2 was .18. In September, 1976, more variables were entered but none were statistically significant. PSE, OJT, and classroom training expenditures produced negative coefficients while percent economically disadvantaged in the ESARS and census populations and the unemployment rate had positive signs.

The same type of analysis was done for Titles II and VI. The number of independent variables was reduced as there was no reason for including Title I program expenditures in the equation. The census, ESARS, and unemployment variables remained. In June, 1975, none of these variables were found to have an impact on the percent whites served in Title II. In September, 1976, only percent unemployed who were white in the census was found to be statistically significant at the .05 level. For every 1 unit change in the independent variable produced there was a .70 change in the dependent variable.

In both quarters the percent white in the ESARS population was the only statistically significant variable in the Title VI white equations. In both quarters a strong positive relationship was revealed.

The regressions for Title VI females did not produce any significant coefficients. Similarly, the Title VI economically disadvantaged equations did not result in any impacts that met the .05 significance level.

[1/] Adjusted R^2 is an R^2 statistic adjusted for the number of independent variables in the equation and the number of cases. It is a more conservative estimate of the percentage of variance explained, especially when the sample size is small.

Adjusted $R^2 = R^2 - \left(\frac{K-1}{N-K}\right)(1-R^2)$, where K = number of independent variables.

It is apparent that the host of explanatory variables utilized thus far do not adequately explain the variation in client service patterns observed among the Titles within a prime sponsorship and across prime sponsorships. While they have provided interesting insights into the relationships between program participants and certain theoretically relevant variables, they provide an incomplete picture of reasons for client service. It is necessary to look at other possible explanations.

Attitudes of Influential Actors

The general direct impact of local economic conditions and fluctuations has been discussed. To re-emphasize an important point: we have thus far noted that local social and economic conditions are not directly translated into participant service patterns. Rather, social and economic conditions are filtered through the perceptions and preferences of manpower actors: political officials, prime sponsor staff, manpower planning council members, and service deliverers. This section reports evidence on the relationships between manpower actor preferences and participant service patterns.

We sought data on the attitudes of all manpower actors in the national sites about preferred client service patterns. The results of this survey permit a ranking of the national sites according to their desire to serve economically disadvantaged, nonwhite, and female clients. This ranking was then compared with the ranking of actual service patterns (measured here in absolute percentages). In general, we found a high degree of congruence between the attitudes of all manpower actors and the relative degrees of service. For example, congruence between preferences for service to females in both Title I and PSE, and actual service patterns was marked in 11 of the 14 prime sponsors for which data were available. And the fit obtained between preferences and service to nonwhites in all Titles was also quite good. A bit more slippage was evident in the economically disadvantaged category with 9 of the 14 prime sponsorships achieving high degrees of congruence. While these data are preliminary, they lend support to the general argument that prime sponsor manpower actors can exercise a substantial measure of control over the nature of participant service patterns and that the resulting patterns accord closely with their general preferences.

We also attempted to weight the preferences of the actors in terms of their relative influence on decisions on the basis of the assumption that actors who are not influential in decision making should not receive the same attention as those that are important. For Title I decisions we found that the prime sponsor staff was influential in all but two prime sponsorships. In the 13 prime sponsorships with high staff influence there are clear relationships between the preferences of the staff and service to the economically disadvantaged. Prime sponsorships that served relatively fewer economically disadvantaged also tended to be managed by staffs with a weaker commitment to serving this group, while staffs that had strong or very strong preferences to serve the economically disadvantaged in fact did so. In the two cases in which staff preferences were not followed in actual client service patterns, the impact of the attitudes of political officials were felt. In these two cases political officials were influential and had no commitment to serve the most disadvantaged. It should also

be added that in one case both the political officials and the staff shared a very strong commitment to the most disadvantaged and this was reflected in a high service to this group.

In PSE decisions, as we have noted above, political officials played a more central role in the selection of clients. In nine of the 15 sites we found that political officials were very influential or influential in the determination of PSE client patterns, in most cases (all but three) sharing that influence with the professional staff. Table 25 shows the relationships between commitment to serve the economically disadvantaged on the part of influential political officials and the relative degree of service. The table reveals that prime sponsors with relatively low actual service patterns to the poor are influenced by political officials who do not have a commitment to serve the economically disadvantaged. In the two cases in which higher levels of economically disadvantaged were served despite political official preference, the professional staff had a stronger commitment, and thus, influenced the results. In addition, in the three prime sponsorships in which the political officials were judged to be the most influential actor in PSE decisions, the actual service to the economically disadvantaged was relatively low--42%, 33%, and 31%.

Equally important were the attitudes of the manpower staff. Here again the commitment to serving the disadvantaged under PSE tended to be weak or nonexistent (often corresponding to the attitudes of political officials) and much lower than the levels described for Title I. Eight of the prime sponsor staffs had little or no commitment to serving the disadvantaged in PSE, while only 3 staffs expressed such an attitude for Title I programs. However, it is important to note that a committed staff and elected officials could, indeed, serve disadvantaged individuals with PSE if they chose to do so. Six of our national sites exceeded the national average of 44% for service to the disadvantaged in September, 1976. Of these, four had staffs and/or elected officials that had very strong commitments to serving the poor and were able to implement these preferences.

Manpower Advisory Council Influence and Activity

We analyzed the relationship between manpower advisory council influence and activity and the resultant client service pattern for the economically disadvantaged. In general, we found that prime sponsorships with active and influential councils are equally likely to serve higher or lower proportions of economically disadvantaged individuals. In the four cases in which the council was neither active nor influential, three of the prime sponsors served relatively lower proportions of economically disadvantaged in Title I programs. We have observed that active councils that are able to exert influence sometimes act as a force in favor of targeting larger proportions of funds for the economically disadvantaged. Their impact on the selection of clients, however, is usually indirect and comes through their influence over the designation of broad prime sponsor goals, such as significant segments; their influence over programmatic decisions (for example, reducing the amount of Title I Public Service Employment); and as a mechanism representing various client constituencies to the prime sponsor staff, service deliverers and political officials. Manpower advisory councils, therefore, may have an impact on the

Table 25: RELATIONSHIP OF INFLUENTIAL POLITICAL OFFICIALS ATTITUDES TOWARD SERVICE TO THE DISADVANTAGED AND ACTUAL SERVICE TO THE DISADVANTAGED WITH PSE SLOTS, 9 NATIONAL SITES, SEPTEMBER, 1976

Attitudes of Influential Political Officials Toward Serving the Disadvantaged	Actual PSE Service to the Economically Disadvantaged, September, 1976		
	Higher (50% or More)	Lower (49% or less)	TOTAL
Little or no Commitment	2	6	8
Somewhat or Strong Commitment	0	1	1
TOTAL	2	7	9

actual service patterns, but the impact occurs infrequently and when it does it may or may not enlarge service for the less advantaged individuals.

Specific Management Decisions

We investigated staff experience and capacity, the quality of MIS, the mix of operating responsibility, the degree of administrative integration between Title I and PSE, and the quality of program evaluation in relation to client service patterns. No strong and unambiguous relationships emerged from this analysis. In many cases the amount of variation present among the 15 selected sites on these variables was not sufficient to produce clear relationships. However, our own observations revealed many instances in which these factors were important in determining the success of prime sponsors in achieving their goals. For example, staff commitment to serve disadvantaged clients was not always sufficient to produce the intended result, but the more capable staffs were better able to implement their goals. This might take the form of using an effective MIS to help achieve the desired enrollment levels for different categories of clients, or the establishment of rigorous evaluation procedures to encourage service deliverers to be more conscious of meeting their service goals. Thus, even though the analysis did not uncover systematic relationships that held across all 15 prime sponsors between these variables and client service, it would be a mistake to conclude that these factors did not have any impact on client service levels.

National Policy and Regional Office Activities

Regional Offices of DOL are not very influential in the selection of clients for Title I or PSE programs. In only one of the 15 cases was the regional office representative judged to be influential in the selection of clients--and here the individual's influence was indirect--through an insistence on higher commitments to work experience programs. In plan reviews, Regional Office staff rarely question prime sponsor analyses of need, although this has been done in two regional offices with some effect. Moreover, the regions do not monitor the eligibility of enrollees in the programs in any systematic manner. Most important, the regions do not attempt to determine whether the actual participant service patterns correspond to the nature and incidence of need within the prime sponsorships. In only rare instances have individual field representatives been influential in causing the local professional staff to re-examine their client service patterns. But this task has not been part of the routine analyses conducted by federal representatives.

Two recent trends on national policy seem to be having contradictory impacts on participant service patterns. The first policy, the development of and utilization of performance indicators that stress cost per placement (without attention to the type of individual placed and the difficulty of that placement), has in some cases encouraged prime sponsors to move toward more trainable and placeable individuals ("creaming"), as evidenced by the increasing proportions of those with more than a highschool education. (This may also stem from a shift away from work experience, which in some instances has stemmed in part from DOL pressure.)

The other policy shift that has been reflected in the prime sponsorships is the changes in PSE eligibility standards and the announced intention of the new Administration to serve less advantaged individuals. While our data do not reflect the direct impact of these changes, prime sponsor staffs seem to be reacting in an anticipatory manner: for example, they have been shifting the relatively more advantaged clients from Title VI to Title II and vice-versa.

In general, then, the impact of the Department of Labor on client service patterns is minimal and indirect. But potentially it could be important. The Department has not concentrated its attention on this aspect of manpower programs, though it has occasionally indirectly influenced client outcomes through policy decisions regarding permissable programs. The potential influence of the Regions is demonstrated by the few cases in which the regional offices have had an impact in our sites. Recent shifts in national office policy that promise increased attention to the question of the distribution of benefits from CETA programs also carry the seeds of more DOL influence.

Summary of Factors Explaining Participant Service Patterns

1. The mix of participants is related to the choice of programs. By altering program emphasis, a manpower staff can probably have an effect on the characteristics of those enrolled.

2. The demographic characteristics of the population of the prime sponsorship are not deterministic with respect to who is served. Manpower staff members retain a great deal of latitude over participant choice.

3. Changing local economic conditions may affect the emphasis placed on service to certain groups. These conditions do not, however, completely determine the composition of a CETA program in terms of participants. Many options remain open to the local managers about participants regardless of the nature of the economic conditions they face.

4. The attitudes of influential manpower actors are important in helping shape participant mix. Within a framework of environmental and political constraints, policymakers' attitudes toward who to serve can be embedded in the choices made.

5. To the extent that they are influential, political officials' impact on the nature of PSE participants is greater than for Title I participants.

6. Department of Labor policies and actions may indirectly affect participant service patterns, especially through inattention. Federal representatives generally have little or no influence over who gets served; local decision-makers are typically given free rein in this area. The DOL emphasis on performance standards seems to push prime sponsorships to give less service to the most disadvantaged as they seek to boost their placement rates.

7. Observations in individual sites suggest that active and influential advisory councils may indirectly influence some of the conditions for the choice of participants, but that their direct influence is limited.

8. Observations in individual sites suggest that certain management procedures are critical to a well run program and therefore to a conscious choice of participants. To the extent that a staff has relevant universe of need data and control over intake procedures, even if decentralized, the direction exerted over who is served is enhanced. An accurate assessment of what groups are in most need of service and the demographic composition of applicants, and an up-to-date accounting of who is being enrolled seem to be prerequisites for effective targeting of participants.

IV. PROGRAM PERFORMANCE

In the three progress reports from this project we reached a number of tentative conclusions on links between management decisions and a number of aspects of goal achievement. These conclusions were based on our observations in the field at 15 sites. In the present section we want to focus on program performance in a more technical sense and relate it in a systematic way to a number of the factors we have been exploring in the previous sections on program design and management and the nature of participants. Then in the following section--which contains our most general conclusions from the project--we will rely both on our findings in this section and on our previous observations reported on the basis of field work to arrive at some final statements about what management decisions are likely to have the most payoff for goal achievement under different conditions. The kind of analysis reported in this section and that reported in our progress reports are both valid and should be used together to reach well-rounded conclusions.

We realize that performance in manpower is a very complex topic and that there is no agreement among experts on the best way either to conceptualize it or measure it. We certainly do not claim to have reached definitive answers on either conceptualization or measurement but we think that the following analysis contributes to the ongoing discussion of both aspects of analyzing program performance by prime sponsors.

What follows in this section is organized in four major parts:

1. A general comment on local goals and goal achievement. This is a very brief synopsis of considerable detail contained in the three progress reports.

2. A description of the systematic analysis of performance that we undertook.

3. A detailed explanation of prime sponsor performance in Title I programs.

4. A very brief explanation of prime sponsor performance in PSE programs.

Where possible, we used data on 32 prime sponsors (both our 15 national sites and our 17 Ohio sites).

LOCAL GOALS AND GOAL ACHIEVEMENT

Part of the rhetoric behind the establishment of CETA was that it would permit local jurisdictions to pursue employment and training goals that were responsive to unique local needs. Although national goals and standards would still be promulgated, sufficient programmatic latitude would be given to prime sponsors so that the lock-step approach to manpower training presumably found under the categorical programs would be avoided.

In our detailed field work at the 15 national sites we made two basic discoveries. First, presumed national goals for CETA tended not to be very important at the prime sponsor level. Second, there was considerable diversity in the local goals that had been set. We specified both the explicit and implicit local goals that had been adopted at each of the 15 sites and also reached judgments on their level of success in achieving the goals. Summaries of these goals and our judgments about degree of success in achieving them are contained in Appendix A.

The goals varied greatly in scope, content, and level of ambitiousness. However, when the goals from the 15 sites are considered together most of them fell into four categories:

1. Those dealing with placement and retention (13 prime sponsorships had such goals).

2. Those dealing with the nature of participants (12 prime sponsorships had goals falling in this category).

3. Those dealing with aspects of managing the manpower system (12 prime sponsorships had such goals).

4. Those dealing with the nature of substantive program activities (6 prime sponsorships had goals of this character).

The prime sponsors had, in general, set reachable goals for themselves. Of the more than 60 individual goals at the 15 sites we judged that they were attaining at least moderate success for about 80% of them. Not surprisingly, the category with the lowest degree of success was placement/retention.

Relatively low success levels also tended to appear in relation to goals that had only recently been adopted. In these instances the prime sponsor had not had much time to effect desired movement toward the goal. Poor success was also likely in cases of goals that were overly ambitious and/or ambiguous.

Limited goal achievement in the short run, especially in the placement/retention area, should not necessarily be equated with poor performance by the CETA program. But, of course, in the long run programs that do not achieve their goals, including those in the vital areas of placement and retention, cannot be judged successful.

There is an important association between the priority given each goal by the professional staff and the level of goal attainment. Higher priority goals were more likely to be achieved than lower priority goals. More than simple pronouncements of goal intentions are required for a high degree of goal achievement. Commitment of resources and clear, deliberate means-to-ends actions are also required. And these necessary ingredients are more likely where the staff consciously thinks of a goal as high priority. Rhetoric, in fact, matters.

Two additional factors most closely associated with a high degree of goal achievement were quality of staff and the location of program operating responsibility. First, those prime sponsorships with staffs that we judged to be of higher quality than others also were achieving their goals better, perhaps in part because the staff was smart enough to set reachable goals. Second, those prime sponsorships that contracted out all service delivery tended to do better in goal achievement than those that kept part or all of the system for in-house operation and delivery.

THE NATURE OF THE SYSTEMATIC ANALYSIS OF PERFORMANCE

There are three principal ways to approach assessing program performance systematically. First, one can use a descriptive approach, simply comparing prime sponsors on different program performance measures. A second approach is explanatory, asking what factors are related to change in program performance, under what conditions relationships are enhanced or depressed, and what a prime sponsor staff can do to change performance. A third approach is normative, asking how prime sponsors' performance on different measures compares to preset ranges of acceptable performance.

Although none of the approaches is without difficulties, the explanatory approach has been used here for several reasons. First it yields more information useful to a prime sponsor staff. Because it addresses questions of why and how program performance changes, it has the potential for providing the staff with guides on what to do to alter performance. Second, this approach is less arbitrary than the normative approach because it avoids labelling prime sponsor performance as good or bad on the basis of comparisons to some (arbitrary) limits set for a performance indicator.

A major focus of the explanatory approach used here has been to identify what the prime sponsor staff can do to change program performance. We have tried to identify a number of factors that affect performance, but we have been especially sensitive to factors over which the staff has some control. While it may be interesting to know about program performance differences in rural consortia compared to urban prime sponsorships, there is little a staff can do to change the nature and composition of a prime sponsorship, even if such a change might improve performance. It is more useful for a staff to know whether factors that are subject to at least partial staff control, such as spending for different program activities, are related to changes in program performance.

Discussion of Explanatory Factors

There are many factors that can affect prime sponsor program performance and goal achievement. Some factors can be readily identified and measured while others are more qualitative in nature. The general factors we examined in the following explanatory analysis included staff characteristics and activities, involvement of actors other than the staff in manpower, characteristics of participants served, expenditures for program activities, enrollments by program activities, economic conditions, and size of the Title I budget allocation. Table 26 summarizes the specific indicators used, and indicates the relative degree of staff control over each feature analyzed. Within the three basic categories of degree of

Table 26: EXPLANATORY FACTORS USED IN ANALYZING PERFORMANCE AND DEGREE OF STAFF CONTROL OVER THEM

Factors over which staff has little or no control

1. Unemployment rate
2. Funding allocation trend
3. Pre-CETA staff experience
4. Administrative integration for Titles I, II, and VI

Factors over which staff has some control

5. Quality of top staff
6. Quality of all staff
7. Location of operating responsibility
8. Involvement of business
9. Involvement of advisory council
10. System-wide commitment to placement
11. Level of conflict
12. Quality of program evaluation

Factors over which staff has relatively high control

13. Staff commitment to placement
14. Quality of program monitoring
15. Participant characteristics
16. Expenditures for program activities
17. Enrollments by program activity

staff control no rank ordering is intended. A brief discussion of each of the factors analyzed in relation to performance follows. We had data on all but numbers 8 and 10 for 32 prime sponsorships (both the national sites and the Ohio sites). For numbers 8 and 10 we had data only on the national sites.

1. The unemployment rate was measured using monthly figures reported by the Bureau of Labor Statistics. An unemployment rate for each quarter was obtained by averaging the unemployment for 3 months. The quarterly unemployment rates in individual primes we analyzed ranged from 3.7% to 14.5% between September, 1974, and December, 1976.

2. Funding allocation trend was measured as the percentage change in Title I allocation between FY 74 and FY 77. In FY 77 the prime sponsors we analyzed received between 73% and 338% of their FY 74 funding levels (the national average was 107%).

3. The level of pre-CETA manpower experience was measured by the number of professional staff who had been involved in manpower prior to CETA. Two groups of prime sponsors emerged--those with less than one quarter of the staff who had pre-CETA experience (20 prime sponsors were in this group), and those with a greater proportion having pre-CETA experience (12 prime sponsors were in this group).

4. Administrative integration for Titles I, II, and VI is, in most cases, a basic decision that was made at the beginning of CETA in each prime sponsorship and, therefore, is subject to a low degree of staff control at present. The possibilities range from total separation of the titles (with separate staff and even different physical locations) to complete integration, with all three titles administered by the same persons. Prime sponsors formed two groups on this measure, 23 with low administrative integration and nine with high integration.

5. Quality of top staff and 6. quality of all staff are measured on the basis of our field teams' judgments. The ratings of very good, good, and fair reflected our composite judgments about the professional capabilities, experience, and qualifications of the professional staff. (Sixteen prime sponsors had very good top staff, 12 had good top staff and 4 had fair top staff. Eleven prime sponsors had very good staff overall, 15 had good staffs, and 6 had fair staffs.)

7. Location of operating responsibility refers to the nature of program operation--whether responsibility for service delivery is primarily retained by the CETA staff or virtually all subcontracted to external deliverers or somewhere in between (mixed). Among the 32 prime sponsors studied, five retained a high degree of operating responsibility, 15 subcontracted for all services, and 12 used a mixed approach.

8. Involvement of business refers to the degree of business participation in CETA solicited by the manpower staff. Prime sponsors were dichotomized into low involvement and moderately high involvement. Data were not available for the Ohio prime sponsorships for this measure. Of the national sites, nine had low involvement and six had high involvement.

9. The involvement of the advisory council was judged to fall into one of three levels: those that were both active and influential (11 cases), those that were active but not influential (12 cases), and those that were neither active nor influential (9 cases). Our judgments were based on the frequency of meetings and the extent to which council recommendations were accepted and implemented.

10. System-wide commitment to placement is a composite measure of the importance with which placement was treated as a goal for Title I by each of five groups (staff, political officials, advisory council members, service deliverers, and regional office). The prime sponsors clustered into those with moderately high overall commitment (6 prime sponsors) to placement and those with low overall commitment to placement (9 prime sponsors). We were unable to include the Ohio prime sponsors on this variable because of lack of data.

11. The level of conflict reflects the nature and extent of manpower related disagreements and conflicts among different actors in the prime sponsorship. Three groupings emerged--low or no conflict (15 prime sponsors), moderate conflict (5 prime sponsors), and relatively high conflict (12 prime sponsors).

12. The quality of program evaluation was judged on the basis of both quantitative and qualitative aspects of evaluations performed by the staff and the range of service deliverers evaluated. Three categories emerged for this measure: high quality (4 cases), moderate quality (12 cases), and low quality (16 cases).

13. Staff commitment to placement is similar to the system-wide commitment measure discussed above. The staff commitment variable reflects our judgment about the extent to which placement was articulated and regarded as a serious goal for Title I by the staff. Prime sponsors were grouped into those in which the staff commitment to placement was explicit and strong (13 prime sponsors) and those where staff commitment was limited (19 prime sponsors).

14. The quality of monitoring refers to the staff supervision of the service deliverers and staff units responsible for program delivery. Prime sponsors were judged to have high, medium or low quality monitoring depending on the nature and extent of monitoring visits and the range of service deliverers monitored. There were 10 prime sponsors with high quality monitoring, 13 with medium quality, and 8 with low quality. One remained unclassified.

15. Participant characteristics included measures involving six different groups: the economically disadvantaged, welfare recipients (AFDC and public assistance), those with less than a high school education or equivalent, females, unemployed, and nonwhites. These characteristics were chosen to represent participants who would presumably be more difficult to serve than others. A percentage for each group was calculated simply by dividing the number in each group by the total number enrolled. The ranges for individual prime sponsors from December, 1974, through December, 1976, were as follows:

% economically disadvantaged	0 - 100%
% welfare recipients	0 - 75%
% less than high school	15 - 96%
% unemployed	0 - 100%
% females	6 - 62%
% nonwhites	1 - 89%

16. Expenditures for program activities were calculated for classroom training, OJT, work experience, PSE, and services using accrued expenditures for each of these activities as reported on the Financial Status Reports and the Quarterly Progress Reports and dividing by the total accrued expenditures. (Classroom training expenditures included only prime sponsor funds, not 5% vocational education money.) The percentages for each program activity for individual prime sponsors from December, 1974, through December, 1976, ranged as follows:

% classroom training expenditures	0 - 86%
% OJT expenditures	0 - 42%
% work experience expenditures	0 - 97%
% PSE expenditures	0 - 68%
% services expenditures	0 - 60%

17. Enrollments by program activity were computed for classroom training, OJT, work experience, and PSE using data reported on the Program Status Summary and Quarterly Progress Report forms. (Participants enrolled under classroom training with vocational education funds were not included.) A percentage was calculated by dividing the number of people served in each program activity by the total number of people served. The range of percentages for each category for individual prime sponsors from December, 1974, through December, 1976, was as follows:

% classroom training participants	0 - 95%
% OJT participants	0 - 54%
% work experience participants	0 - 100%
% PSE participants	0 - 51%

Discussion of Performance Measures

Selection of the measures to use in evaluating prime sponsor performance is not a neutral exercise. Different measures will emphasize or fail to emphasize different aspects of program performance, and prime sponsors will rank differently on different measures. The Department of Labor and prime sponsors have been in continuing discussion, debate, and negotiation over the selection and application of national performance indicators. (The latest draft was being circulated in April, 1977.) A key issue in the debate involves identifying factors that can be producing a poor "score" on a given performance measure, and suggesting how such a factor should be taken into account. (The staff at Cleveland Area Western Reserve Consortium have produced several working papers dealing with this issue. See Mackie and Pesek (1976) and Mackie (1976).)

We recognize the controversial nature of performance indicators, and do not expect to satisfy all parties with the indicators selected for use in this analysis. But by using several indicators of both terminations

and costs, we hope to capture differences in performance that would go undetected with only one measure. The measures used did tap different dimensions of performance. (See Appendix B for a correlation matrix between the indicators that supports this assertion.) In all cases, the indicators used in this section reflect actual performance, not planned performance, and in all cases the source of the data used were the quarterly reports submitted by the prime sponsors to the regional offices.

There were several measures we were unable to use in our analysis of program performance that, ideally, should be used. Economic impact of CETA participation on the persons enrolled is, in principle, an important performance measure. It is, however, very difficult to obtain appropriate data for measuring economic impact. The federal Quarterly Summary of Participant Characteristic forms indicate the number of placed participants who earned different levels of wages (from less than $1.00/hour to $6.00 or more/hour) before and after CETA participation. Unfortunately, the quality of the data reported by prime sponsors to the Department of Labor does not allow us to construct a valid wage gain measure. None of the quarterly reports contain information on whether the placements obtained by the prime sponsor were training related or not, nor is there information available on the duration of placements obtained or on the relative quality of placements. Although all of these features are acknowledged to be important aspects of prime sponsor placement activity, there is no means of including them in a systematic assessment of placement performance at this time.

The termination cluster we used includes five specific indicators. The cost cluster includes three specific indicators.

Termination Cluster Indicators.

1. Placement efficiency is a measure of the overall effectiveness of CETA as a mechanism for getting people into unsubsidized employment. It is calculated as the number of people entering employment divided by the number of all persons enrolled. The measure indicates what proportion of people who are enrolled end up with a job.

2. CETA placement rate is a similar kind of measure, but it narrows the focus even more by indicating what proportion of all enrollees get a job after receiving CETA services other than assessment and referral. It is calculated as the number of indirect placements divided by the number of people enrolled.

3. Indirect placement rate is calculated as the number of indirect placements divided by the number of people entering employment. This measure indicates what proportion of the people who got jobs had received some CETA services other than assessment and referral.

4. The entered employment rate indicates what percentage of the people who leave a CETA program do so because they got a job. It is computed by dividing the number of people entering employment by the total number of terminations.

5. Nonpositive termination rate is the number of nonpositive terminations divided by the number of total terminations. It indicates

the proportion of people who are leaving a CETA program for reasons other than getting a job, going back to school, joining the military, or other "positive" reasons.

Cost Cluster Indicators.

1. Cost per placement indicates how much it cost the prime sponsor to put a CETA participant into a job. It is computed by dividing the total accrued expenditures by the number of people entering employment.

2. Cost per indirect placement is computed by dividing total accrued expenditures by the number of indirect placements. It indicates the cost for each person who was placed after receiving CETA services other than assessment and referral.

3. Cost per enrollee indicates how much it costs the prime sponsor to serve each participant enrolled. It is computed by dividing accrued expenditures by number of enrollees.

Summary. Table 27 presents a summary picture of performance by the 32 prime sponsors included in this study for each of the eight indicators discussed above. The figures reported are averages for six quarters (12/74, 6/75, 12/75, 6/76, 9/76, and 12/76). The table shows the highest and lowest scores for our 32 sites as well as the averages for the 15 national sites separately, the 17 Ohio sites separately, the 32 sites combined, and a national average. Except for nonpositive termination, the national sites performed better on the termination indicators than the national average. The Ohio sites performed less well than the national average. The national sites had costs higher than the national average on all three indicators. The Ohio sites had costs higher than the national average on two of the three cost indicators and their costs were also higher than the national sites on those indicators.

Discussion of Analysis Procedures

Two general techniques were used, crosstabulation and correlational analysis (Pearson's r). Crosstabulation was used to examine associations between the more qualitative explanatory factors and the performance measures. Correlational analysis was used to verify the results of the crosstabs and to examine the relationships between more quantitative explanatory factors and the performance measures.

In general, associations were examined for all 32 prime sponsors together in order to maximize the number of data points and to increase the generalizability of the results. The same associations were also checked for both the national sites and the Ohio prime sponsors separately. Where the patterns for the two groups varied markedly, our preference was to rely on the results of the Ohio group, the rationale being that the Ohio sites together are more representative of all prime sponsors in the country than are the national sites.

Crosstabulation was used for all of the qualitative factors and for a few of the quantitative factors. Because the qualitative factors reflect our assessments of the prime sponsor over time, it was felt that a similar

Table 27: SUMMARY OF TITLE I PERFORMANCE, NATIONAL SITES, OHIO SITES, NATIONAL AVERAGE, 1974-76

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	Placement Efficiency	CETA Placement Rate	Indirect Placement Rate	Entered Employment Rate	Nonpositive Termination Rate	Cost Per Placement	Cost Per Indirect Placement	Cost Per Enrollee
Highest Score for 32 Sites	37	28	88	65	53	$15,293	$33,010	$1,253
Lowest Score for 32 Sites	8	2	26	18	17	1,626	3,678	251
Average for 15 National Sites	21	12	59	41	34	6,055	10,747	825
Average for 17 Ohio Sites	15	6	45	30	35	7,106	17,289	703
Average for 32 Sites	18	9	51	35	34	6,620	13,910	760
National Average	17	9	51	35	34	4,376	8,419	728

"time-comprehensive" indication of the performance measures should be used in the crosstabs, rather than selecting just one quarter arbitrarily or repeating the cross tabs for every individual quarter. To obtain a representative indication of performance on the performance measures, the prime sponsors' scores were averaged over time. The six quarters used were indicated above.

Once the averaged scores were obtained, a simple grouping technique was used. Prime sponsors were grouped on each of the explanatory factors (for example, high conflict, medium conflict, and low conflict) and on each of the performance measures (higher than the national average and lower than the national average). For each of the groupings on the explanatory factor, the proportion of prime sponsors having higher performance was compared to the proportion having lower performance. The resulting distributions were examined to see if any associations were present. (It should be noted that the number of prime sponsors with costs lower than the national average was too small to provide useful generalizations. For the three cost indicators, the sample average was used to provide a cutoff point, thus increasing the number of prime sponsors in the lower cost groups.)

Correlational analysis was used to verify the crosstabulation results and to examine the strength of the relationships between the quantitative factors (participant characteristics, program expenditures, enrollments, unemployment rates) and the performance measures. All quarters from December, 1974, through December, 1976, were used in the correlational analysis.

EXPLAINING PRIME SPONSOR PERFORMANCE ON TITLE I

Explanatory Factors Over Which the Staff Has Little or No Control

Staff members are correct when they assert that they have little control over the unemployment rate in their area, the level of CETA funding they receive, the pre-CETA manpower experience of their staff, and the administrative integration between Title I and the PSE Titles. They are incorrect, however, if they assert that these factors somehow determine how their program performs or even set very tight limits on what can and cannot be achieved.

Unemployment Rate. The conventional wisdom among manpower people suggests that performance suffers when unemployment increases. Prime sponsorships with high unemployment are expected to have lower placement rates and probably also higher costs for placements and enrollments. However, the crosstab analysis showed no relationship between level of unemployment and placement rates, nonpositive terminations, or cost measures.

For each of the dependent variables, prime sponsors were sorted into one of four groups (1. unemployment (UE) lower than the national average and dependent variable (DV) performance lower than the national average; 2. UE lower than the national average and DV performance higher than the national average; 3. UE equal to or higher than the national average and DV

performance lower than the average; and 4) UE higher than the average and DV performance higher than the average). The number of prime sponsors in each group was examined for each separate dependent variable, but none of the distributions revealed any pattern between unemployment and the dependent variables. There was a sizeable group of prime sponsors that had both high unemployment and high placements.

The results of the correlational analysis moderated the preceding conclusions only slightly. The correlations for all 32 prime sponsors together showed that the association between unemployment rates and the four placement measures were extremely weak. Although the direction of the relationships was in the predicted direction (negative), the magnitudes of the statistic were all very small (less than -.18 in every case). The associations were slightly higher for the Ohio group alone (none were greater than -.33), indicating that unemployment had a somewhat more depressing effect on placements for the Ohio group than it did for the national group. What is striking is that the correlations between unemployment and the placement measures for all 3 groups of prime sponsors are so small. If unemployment rates were actually affecting placement in an important way, we would expect much larger correlations.

The effects of unemployment rate on nonpositive termination rate and the three cost measures were again surprising because virtually no relationship existed for the national sites or the 32 combined. The correlations with nonpositive termination rate were all less than .1, and the correlations for the cost measures ranged between -.1 and .1. For the Ohio sites there was a slightly stronger relationship, but again, the magnitude was not large (none of the correlations exceeded .3).

To determine whether the low correlations between unemployment and the performance measures might be masking non-linear relationships among the factors, scatterplots for each relationship were examined for all 32 sites together, for the national sites, and the Ohio sites. The results of this analysis of 24 scatterplots did not change the conclusion that unemployment had only a weak effect on the placement performance of the Ohio prime sponsors, and no relationship on the national sites. Inspection of the scatterplots revealed no nonlinear relationships, and the weak or nonexistent linear relationships were visually reinforced.

That only weak and inconsistent relationships were discovered between unemployment rate and program performance measures in the previous analyses led us to examine the relationships again, on this occasion controlling for time. Correlations were run for the individual quarters and the relationships between unemployment and performance measures were re-examined. The results of this analysis are summarized in Table 28.

This approach revealed stronger relationships than had been observed when all quarters were merged, especially for the Ohio prime sponsors. In general, both the Ohio and the national prime sponsors' placement rates were held down by increasing unemployment, when the correlations are examined by quarter. Relationships were the strongest and most consistent across placement indicators for the national sites for the quarters ending in June and September, 1976. (Correlations ranged from -.25 to -.50.) For the Ohio sites the strongest associations appeared in the quarters ending in December, 1975, and June and September, 1976. (Correlations ranged from -.27 to -.72.) These relationships tended to wash out when

Table 28: CORRELATIONS BETWEEN UNEMPLOYMENT RATE AND FOUR PLACEMENT MEASURES, SELECTED QUARTERS, 1974-76, NATIONAL SITES, OHIO SITES, AND 32 SITES COMBINED

	Quarter	Placement Efficiency	Placement Rate	Indirect Placement Rate	Entered Employment Rate
National Sites	12/74	*	*	-.88	*
	6/75	*	-.22	-.29	*
	12/75	*	*	-.28	*
	6/76	-.25	-.40	-.42	-.30
	9/76	-.26	-.44	-.50	-.30
	12/76	*	*	-.31	.47
Ohio Sites	12/74	*	-.66	-.62	*
	6/75	-.31	*	.24	-.33
	12/75	-.54	-.57	-.27	-.72
	6/76	-.50	-.41	*	-.66
	9/76	-.50	-.47	*	-.50
	12/76	*	-.42	-.35	*
32 Sites Combined	12/74	*	-.29	-.35	*
	6/75	*	-.23	*	-.21
	12/75	*	-.25	-.24	-.28
	6/76	*	-.24	*	-.25
	9/76	*	*	*	*
	12/76	*	*	*	.23

* = correlation less than $\pm$ .2

all 32 prime sponsors were grouped together. And there were no consistent relationships found between unemployment rate and the cost measures or nonpositive termination rate.

There are several plausible, not mutually exclusive explanations for the lack of a consistently strong relationship between unemployment and performance. First, although it is harder to place people in quantity in periods of rising unemployment it seems likely that as some of the recently unemployed (who already have skills and are not "hard core") become CETA clients they may be relatively easier to place as individuals given both their skills and proven record as workers.

Second, it is conceivable that job developers working for the service deliverers (both in-house and subcontractors) become more aggressive in a slack labor market and thus offset the depressing effects of increased unemployment on placement.

All of the mixed findings reported above on the relationship between unemployment and performance suggest several general statements. First, unemployment certainly provides some constraints on what can be achieved. Second, and most important, those constraints are relatively weak. CETA staff do not live in a universe tightly determined by the unemployment rate. Neither they nor the Department of Labor can accurately explain poor program performance by simply referring a high unemployment rate. Other factors help explain poor performance. And, even in the face of high unemployment, there is much that can be done by a staff that can result in good performance.

Funding Allocation Trend. The effect on program performance of change in the level of Title I funding over time was also investigated. Prime sponsors were grouped into those with static or shrinking resources between FY 74 and FY 77 and those with expanding budgets. A change of less than 107% (the national average) was used as a cutting point to determine the groups.

One might expect prime sponsors with shrinking budgets to be having more difficulty in their manpower programs, and to demonstrate poorer performance. The results of the crosstab analysis, however, showed modest support for the opposite conclusion—prime sponsors with losses tended to have better placements and lower costs than prime sponsors with expanding budgets. There was no relationship with nonpositive termination rate. Presumably this suggests that prime sponsors facing the difficulties of shrinking resources have been forced to cut back on nonessential services (thus lower costs) and on service deliverers who were not performing well (thus better placements). At least in the short run reduction of budget may increase performance. The problem, of course, is that continued reduced funding will ultimately mean a reduction in either quality or quantity of service, or both.

Pre-CETA Staff Experience. One might reasonably expect that prime sponsors in which a higher proportion of the staff had been involved in manpower prior to CETA might have better performance than prime sponsors in which the experience level was lower. However, the crosstab analysis for all 32 prime sponsors together showed no patterns between experience and any of the performance measures. The correlational analysis did not

change the conclusion. Low correlation coefficients indicated no relationship was present for the Ohio prime sponsors, and only a modest relationship was present for the national prime sponsors.

This lack of relationship suggests that the experience in CETA was really quite different than the experience with categorical programs and that everyone on the staff had to learn a great deal when CETA came into being, regardless of whether they had been involved with categorical programs or had just been hired. It is also quite possible that the manpower "professionals" from before CETA did not really have a broad enough experience to develop skills that would serve to make them better CETA managers than someone moving into CETA from other experience. Raw quality of staff seems likely to be much more important than experience that, in retrospect, was probably not directly relevant.

As CETA continues, of course, then one might expect that the more experienced a staff is in CETA specifically the more likely it is that they will be able to make management decisions that lead to good performance. But this hypothesis could not be tested in 1976-77. As pre-CETA manpower experience loses most of its somewhat questionable presumed relevance in the next few years then research on the comparative performance of prime sponsorships to determine the impact of the CETA experience of staff members would be appropriate.

Administrative Integration for Titles I, II, and VI. Integration within the staff for administering Titles I, II, and VI had little effect on performance. The cross tab analysis revealed no clear association between administrative integration and the performance measures. The correlations revealed a mixed impact. There was a moderately strong relationship for the national sites between increasing administrative integration and increasing costs (correlations were in the .3 to .4 range for all indicators), but no association was present for the Ohio sites. Administrative integration was not related to any of the placement measures for the national sites, but it was for the Ohio prime sponsors--as administrative integration increased, placement rates also increased (correlations were at the .2 to .3 level for three of the indicators).

Since administrative integration by itself appears to have no consistent impact on performance a more important question--that of programmatic integration allowing participants to move easily between titles--becomes central. Our observations in the field lead us to believe that administrative integration promotes programmatic integration, and that the latter offers the potential of improved service for participants.

Explanatory Factors Over Which the Staff Has Some Control

Quality of Top Staff and All Staff. Both the crosstab and the correlational analysis for all 32 prime sponsors revealed clear associations between quality of the top staff and the termination cluster indicators. Prime sponsors with top staff judged to be very good had higher placement rates and lower nonpositive termination rates than prime sponsors in which the staff was good or fair. There was no relationship with the cost cluster indicators, however. The same relationships were present between quality of all staff and the performance measures. The correlational

analysis generally supported these conclusions, although the effect of staff quality (both quality of top staff and of all staff) was more pronounced for the Ohio sites than for the national sites. (Correlations were in the .3 to .4 range.) Again there was no relationship revealed with the cost measures.

Although staff quality is a difficult factor to change, it can be improved over time, and a director interested in improving program performance would do well to make the effort. Staff quality can be changed through internal reorganization, reassignment, job redefinition, in-house training, leaves for upgrading assignments, personnel exchanges, turnover, attrition, and conscientious recruitment of new personnel. The results of our analysis suggest that the effort will be rewarded with better performance.

Location of Operating Responsibility. Although different prime sponsors (in the personal sense) have different motivations for centralizing program operations directly with the CETA staff (the in-house model), one commonly cited reason for the in-house choice is that it allows the staff to maximize control over program operations and, by extension, to do a better job. To shift responsibility for program operations from outside contractors to the CETA staff is a major change with serious political implications, a change not to be undertaken lightly. Thus it is useful to explore the relationship between location of operating responsibility and program performance measures to see whether the change is warranted. The cross tab analysis showed no association between nature of operating responsibility and the termination cluster indicators. There was some relationship with the cost indicators, however. The prime sponsorships that ran programs themselves tended to have higher costs than the prime sponsors who contracted out for services.

The results of the correlational analysis revealed a clear impact of operating responsibility on program performance for the Ohio sites, although there was no pattern for the national sites. For the Ohio prime sponsors, as the prime sponsors' operating responsibility increased (that is, as the degree of subcontracting decreased and the in-house responsibilities for service delivery increased), placement rates tended to drop (correlations were in the -.3 range for three of the placement measures), and costs for obtaining placements tended to increase (correlations were in the .3 to .4 range).

Many prime sponsor staffs feel it is too expensive politically to change the existing structure of subcontractors significantly. The results of this analysis suggest that it is also likely to be more expensive fiscally, and that placement rates are likely to change for the worse if subcontractors are dropped in favor of in-house operation. It may, however, be worth political costs incurred to drop inefficient subcontractors in favor of better subcontractors.

Involvement of Business. The Department of Labor has generally considered the involvement of business in prime sponsors' manpower programs to be desirable and has encouraged prime sponsors to strengthen ties with business. In exploring the relationships between business involvement and the performance measures for the 15 national sites (the Ohio sites were excluded because current data were not available), it was found that

business involvement was not related directly to placement rates or nonpositive terminations. There was a relationship between higher business involvement and lower costs for placements and enrollments, however. The results of the correlational analysis confirmed these findings. (Correlations were in the -.2 to -.3 range.) This suggests that staff efforts to involve business actively may not result in additional slots for placements in the short run (as reflected in the statistical measures of placements used here), but it may help to produce a cost-effectiveness mentality that results in more efficient use of CETA resources.

Involvement of Advisory Councils. Involvement of manpower advisory councils has also been stressed by the Department of Labor as a desirable goal for prime sponsors. We investigated the relationship between MAC activity and program performance, not expecting to find any relationship. The crosstab analysis showed, however, that prime sponsors with councils that were active or active and influential tended to have lower costs for placement (for both indicators), while prime sponsors who had MACs that were neither active nor influential tended to have higher costs for placements. No relationships were found for any of the other performance measures. The correlational analysis did not reveal any new relationships.

While advocates of strong advisory councils may be disappointed that more and stronger relationships were not revealed, it should be stressed that active councils serve many purposes at the local level other than impacting on program performance as measured here. We in no way would suggest that the lack of strong association with performance measures means that councils have no beneficial effect on program performance and therefore should be scrapped. We would argue that there are many observable positive values associated with a high degree of MAC activity.

System-wide Commitment to Placement. One might reasonably assume that placement performance would be better in areas in which there is a widespread commitment to placement as a goal for Title I shared by major groups of manpower actors. Generating such a system-wide commitment would be a major task for the staff, so the assumption was tested for the 15 national sites for which data were available. The crosstab analysis revealed no relationships. The correlations clarified the effect somewhat, revealing a weak relationship between the presence of system-wide commitment to placement and placement rates (3 of the 4 measures had correlations at the .2 level). One possible reason for the lack of a stronger relationship is that in 3 of the 6 sites that had a moderately high commitment, this commitment had emerged only during FY 76 because of changes in the staff leadership, and had not had sufficient time to filter down and show up in the placement rates.

Level of Conflict. The commonsense notion that performance is likely to suffer if conflict is too pervasive and intensive was also examined. Mixed, fairly weak relationships were revealed by the analysis. The crosstab analysis showed that conflict was inversely related to placement performance--as conflict increased, performance rate decreased. There was no relationship with nonpositive termination rate, and the effect on the cost measure was unexpected--as conflict increased, costs decreased.

The results of the correlational analysis showed that level of conflict did not have any consistent effect on placement performance (there was only a very weak association with two measures of placement for only the Ohio sites). The inverse relationship with costs for obtaining placements and cost per enrollee appeared again--as level of conflict increased, these costs decreased in both the Ohio and the national prime sponsor groups.

The explanation for the last relationship could be that since much conflict is generated by choice of service deliverers, a system with high conflict may be in that state because one or more of the least efficient deliverers has been cut, either totally or in part. This should mean that costs systemwide would decrease since the more efficient deliverers would be left. Thus we do not interpret the finding to suggest that conflict directly causes lower costs--rather we think that the source of much conflict--reduction or elimination of weak deliverers--creates both conflict and lower costs simultaneously.

Quality of Program Evaluation. Doing thorough evaluations is difficult, time-consuming, and entails political costs at the local level. For these reasons and many others, many prime sponsorships do not do program evaluations. Enough of our group of 32 did do good evaluations, however, to allow us to investigate the link with program performance. The results of the crosstab analysis revealed no relationships with any of the performance measures.

The correlational analysis revealed no association between quality of evaluation and any of the performance measures for the national sites, but patterns were present for the Ohio prime sponsors. Specifically, as quality of evaluation improved, placement rates increased (correlations were at the .3 level for three of the measures), and there also was a weak inverse relationship with the two cost of placement measures--as quality of evaluations improved, the costs of obtaining placements decreased (correlations were at the -.2 level).

In part the lack of stronger findings may stem from the relative newness of program evaluations in areas in which they have been undertaken. It seems reasonable that it may take a year or two for the use of evaluations to be reflected in subsequent program performance.

Although we cannot at present point to a strong link between good evaluations and good program performance, it should be underscored that evaluations can serve many purposes at the local level other than improving program performance on the statistical measures used here. We support the idea that prime sponsor staffs should develop and apply program evaluations within the cautions outlined in our progress reports of January 31, 1977 and April 30, 1977.

Explanatory Factors Over Which the Staff Has Relatively High Control

Staff Commitment to Placement. We hypothesized that staff attitudes are an important factor affecting program performance. To test the hypothesis, we examined the link between the staff's articulated commitment to placement as a goal for Title I and the prime sponsor's performance on the placement measures. For every indicator in the termination cluster,

a clear pattern was evident. In prime sponsors in which the staff's commitment to placement was high, performance on the placement measures was also high. In areas in which the staff commitment to placement was low, placement performance tended to be low. The effect carried over to nonpositive termination rates also--prime sponsors with high staff commitment to placement tended to have low nonpositive termination rates. The correlations generally confirmed these relationships, although they appeared only for the Ohio sites.

The commitment to placement also carried over to performance as measured on the cost indicators. Prime sponsors with high commitment to placement had lower costs for both indicators of placement costs.

Commitment to placement alone will not guarantee better placement rates, but it is an important first step for a staff to take because it leads to other actions that will help implement the commitment.

Quality of Program Monitoring. We would expect that prime sponsors with high quality monitoring of manpower programs would have better placement rates and lower costs. The expected relationships were only moderately supported by our analysis.

The crosstab analysis showed that of the prime sponsors with limited monitoring, a majority had lower placement rates, as expected. But of the prime sponsors where monitoring was good or very good, only half had higher placement rates, and the other half had lower placements. There was no relationship between quality of monitoring and nonpositive termination rate.

A moderately strong inverse relationship was present between the quality of monitoring and the costs per placement--prime sponsors with low quality monitoring had higher costs for placements (for both indicators) and primes with good and high quality monitoring had lower costs for placements.

The correlational analysis showed that the quality of monitoring was moderately related to increasing placement rates for the Ohio prime sponsors (correlations were in the .2 to .3 range for all indicators), but not for the national prime sponsors. No relationships emerged with the cost measures.

Program monitoring is an important key to good performance, although the strength of the relationships reported here suggest that it is far from sufficient by itself. But in addition to its effect on program performance as measured here, it should be noted that good quality program monitoring will serve other important purposes at the local level. No prime sponsor staff is likely to exercise much effective control of a manpower system without good monitoring.

Participant Characteristics. Some clients are more difficult to serve and place, and this fact of life accounts for prime sponsors' creaming in intake and referral and placement. Many practitioners have suggested that serving the hard core disadvantaged client is incompatible with a stress on placement and cost efficiency.

This analysis examines the association between levels of service to several client groups and program performance to test the assumption that client characteristics do restrict program performance. Six characteristics were chosen to reflect the more difficult-to-serve enrollee: economically disadvantaged, welfare recipient, less than a high school education, unemployed, female, and nonwhite. The percentages of each group served between December, 1974, and December, 1976, were correlated with the eight program performance measures for all 32 prime sponsors and for the Ohio and national sites separately. In general, we found no relationship between the types of participants served and program performance measured with our termination and cost indicators. The few exceptions to this general conclusion are noted in the discussion below.

With respect to placement indicators, the percent economically disadvantaged served and the percent with less than a high school education showed no association at all for either the 32 prime sponsors together, the national sites, or the Ohio sites. The percent of females served was not related to placement for either the 32 sites or the Ohio sites. The percent of unemployed served had an inconsistent effect on placement rates depending on the measure considered. The one pattern that emerged was that regardless of the grouping of prime sponsors, the percent unemployed enrolled had a depressing effect on the indirect placement rate and this effect was strongest for the Ohio group (the correlation statistic was in the -.5 range). The effect of the percent of welfare recipients enrolled was either nonexistent or in the opposite direction of what was expected. In the Ohio sites, the percent of welfare recipients was positively associated with placement, indicating that placement rates increased as the enrollments of welfare recipients increased. There was no relationship between the percent of nonwhites enrolled and placement rates for either the 32 sites together or the Ohio sites. (For the national sites there was a moderately strong association in the expected direction for two placement measures (-.3 to -.4 level).)

There were no associations between client characteristics and nonpositive termination rates for either the Ohio sites alone or the 32 prime sponsors grouped together. There were a few weak relationships among the national sites for females, welfare recipients, and economically disadvantaged, but these relationships were opposite of what was expected--as the percentage of females enrolled increased, for example, the nonpositive termination rate decreased. (The correlation coefficients were, however, only about -.2.)

There was no association between levels of clients served and the costs of placements and enrollments. The only relationships that emerged were for the Ohio sites, and those were in the opposite direction of what was expected. As the percentage of unemployed persons enrolled increased, the costs for placement decreased. (The correlations were in the -.2 to -.4 range.)

In summary, it is clear that client characteristics do not dictate levels of performance on placement rates and cost indicators. The absence of relationships between clients generally regarded as difficult to serve and the performance measures is surprising, and it indicates two things. First, a number of prime sponsors are able to serve high levels of

"difficult" clients as measured by the six characteristics used here and still obtain relatively high levels of placement rates and low costs, while other prime sponsors with lower levels of "difficult" clients have not been able to obtain higher placement rates and lower costs.

Second, the absence of relationships does not mean that some clients are not more difficult to serve than others. It is more likely an indication that the categories on the Quarterly Summary of Participant Characteristics do not accurately measure who is and who is not difficult to serve. The motivation of the participant is critical to the prime sponsor's ability to obtain placements, and the QSPC does not measure motivation. (See Thurow, 1973, for an argument including the position that "creaming" by motivation makes good economic sense.) But the findings of this analysis should encourage prime sponsors not to adopt an "either-or" attitude about service to the disadvantaged versus good performance. They are not incompatible goals.

Expenditures for Program Activities. The comparative utility and effects of training programs versus work experience programs have been long discussed by manpower professionals and academics. Work experience programs are not generally regarded by anyone as placement intensive, while classroom training and OJT impart specific skills that presumably enhance the placement potential of participants. Work experience is a relatively "cheap" program--more people can be served in work experience for a given amount of money than be served in classroom training or OJT. Thus prime sponsors with a large proportion of their Title I expenditures going to work experience could be expected to have lower placement rates, higher nonpositive termination rates, and higher costs for placements, although the cost of serving each enrollee would be lower.

Prime sponsors, on the other hand, that have a large proportion of their Title I expenditures directed at classroom training or OJT would be expected to have higher placement rates and lower cost for placements.

The expected relationships were generally confirmed by the results of correlational analysis between program expenditures and performance measures.

1. Work Experience Expenditures. As the proportion of work experience expenditures increased, the level of placements went down (for all indicators except indirect placement rate). Correlations were relatively weak, at the -.27 level. This pattern was present among all 32 prime sponsors together and for the Ohio sites.

There was also a moderately strong relationship between the proportion of work experience expenditures and the measures of costs for placement. As the work experience commitment increased, so did the costs of placing people. The relationship occurred only for the Ohio sites, however (correlations were in the .3 to .4 range).

There was no association between the proportion of work experience expenditures and either the nonpositive termination rate or the cost per enrollee for any of the groups of prime sponsors.

2. OJT Expenditures. Correlations between percent of OJT expenditures and placement rates for the 32 prime sponsors showed a modest association (.22 to .25 range), indicating that as expenditures for OJT increased, the placement rates also increased. There was no association with the indirect placement rate. The relationship between OJT expenditures and placement rates for the Ohio sites was relatively strong (.36 to .45 range) reflecting their greater reliance on OJT as the means of obtaining placements. The national sites, however, did not reveal any association between OJT expenditures and placement performance.

There was only a weak relationship between OJT expenditures and nonpositive terminations, and that was only for the Ohio sites--as expenditures for OJT increased, nonpositive terminations decreased, as would be expected. There was no relationship between proportion of OJT expenditures and cost per enrollee.

Increasing OJT expenditures were related to decreasing costs for placements for all three groups of prime sponsors (correlations were in the -.2 to -.3 range).

3. Classroom Training Expenditures. The association between the proportion of spending for classroom training and the performance measures of placement were surprising. Basically no relationship was present for any of the three groups of prime sponsors. This might be explained in two ways. First, some prime sponsors rely heavily on OJT for placements and so do not pay consistent and innovative attention to the placement aspect of classroom training. Second, classroom training specialties are often chosen on the basis of a general notion that there is a demand in a given occupation. But that notion may not be very specific about how large or continuing the demand is. For example, there may be a shortage of auto body specialists, but that shortage may be only 20 people. But a classroom training enterprise--which often reflects major commitments of resources and time--may produce 80 people trained in auto body work. And, of course, not even the first 20 onto the market will get the jobs as they face competition from a large number of individuals who have never had contact with CETA.

There were no relationships found between classroom training spending and nonpositive termination rates for any of the three groups of prime sponsors.

The effect of classroom training spending on the cost measures was opposite for the Ohio prime sponsors and the national prime sponsors. Among the Ohio prime sponsors there was a modest association between increasing classroom training expenditures and decreasing costs for placements (-.23 to -.29 level), as we expected. But for the national sites, there was an equally strong association between increasing classroom training expenditures and increasing costs for placements (.2 to .25 level).

4. Other expenditures. There were no general patterns between expenditures for services and PSE and performance, and only a few isolated relationships were discovered. For the Ohio sites, increasing expenditures for services were moderately associated with a lowered indirect placement rate, and with a lowered rate of cost for placements (correlations were in the -.3 range).

Only one weak association was present between the level of PSE expenditures and the performance measures. For the Ohio sites, as the proportion of PSE spending increased, the indirect placement rate decreased (-.2 level). The absence of relationships revealed by the correlational analysis is probably a factor of the small number of cases of PSE expenditures. We do not feel these findings significant enough to refute common sense and our observations that Title I PSE is not an efficient way to obtain placements or to keep costs down.

Enrollments by Program Activity. The effects of enrollments in different program activities were examined as a check against the results of the patterns found for program activity expenditures. The results of the correlations between enrollments and performance measures were generally consistent with the results in the preceding section.

1. OJT Enrollments. The strongest associations occurred between the proportion of persons enrolled in OJT and the placement measures. As the proportion of OJT enrollees increased, placement increased. The pattern was present in all 32 prime sponsors and was especially strong in the Ohio sites (correlations were in the .2 to .6 range). The national sites revealed the same relationships although not as strongly as the Ohio sites. The pattern was present for every placement indicator examined.

There was no consistent association between the proportion of OJT enrollees and the cost for obtaining placements. There was a weak relationship with cost per enrollee--as the proportion of OJT enrollees increased, the cost per enrollee overall tended to increase (correlation of .22).

2. Classroom Training Enrollments. The proportion of enrollees in classroom training was not associated with changes in placement rates for the Ohio sites, although there was a weak relationship in the national sites (correlations were in the .2 to .3 range, but only for two indicators).

Classroom training enrollments were associated with decreasing costs for placements for the Ohio sites (-.24 level), but the opposite occurred for the national sites--increasing the classroom training enrollments tended to increase the costs for placements.

3. Work Experience Enrollments. These had a weak depressing effect on placement rates (-.20 to -.25 range), and a stronger effect on raising the cost per placement. The higher the proportion of work experience enrollees, the higher the costs of obtaining placements (.2 to .4 range). This pattern was reflected in all groups of prime sponsors, especially the Ohio sites.

4. PSE Enrollments. The relationship between the proportion of PSE enrollees and costs for placements supported common sense expectations--the greater the PSE enrollments, the higher the costs of obtaining placements (correlations in the .2 to .5 range). This pattern was especially strong among the Ohio sites, given the somewhat higher Title I PSE enrollments there.

Discussion of Prime Sponsor Resource Allocation among Program Activities. The correlational analysis has confirmed many expectations about relationships between program activities and the relative payoff of

investing in different program activities. (If we had data by program we would expect to find even stronger evidence; we are necessarily drawing inferences from the data we could analyze.) OJT is clearly the most cost efficient means of obtaining placements, as measured both by expenditures and enrollments, and work experience is the least efficient means of obtaining placements. Thus a prime sponsor wishing to increase placement rates and lower costs for placements should invest in OJT and minimize work experience. Classroom training investments are more likely to lower cost for placements, but are not associated with increasing placement rates. And any prime sponsor wishing to avoid high costs for placements will keep PSE expenditures and enrollments to a minimum.

The Indirect Effects of Unemployment Rate

In previous sections, the direct effects of unemployment rate on prime sponsor performance were examined, and were concluded to be not too important. In this section, the indirect effects of unemployment are considered, by re-examining a number of the relationships while controlling for the level of unemployment. A level of 6% unemployment was used as a cutting point. The unemployment rate of each prime sponsor for each quarter except September, 1974, was compared to the cutting point, and the cases were grouped into low (less than 6%) and high (equal to or greater than 6%) unemployment. Then for both the low and the high groups, the proportion of expenditures and enrollments for different program activities and the proportion of participant characteristics were correlated with the performance measures. The correlations of the two groups were compared to determine whether unemployment had an indirect effect on these relationships. The results of this analysis are discussed below. The most important results are presented in Table 29.

Expenditures and Enrollments for Program Activities. When unemployment was low, the national sites were able to link classroom training expenditures with increasing placement rates, especially for two measures--placement rate and indirect placement rate (correlations were in the .6 to .8 range). The national sites also showed an equally strong relationship between the proportion of classroom training enrollments and increasing placement rates for the same two measures (but not for the other two measures of placement). The national sites revealed no relationships between either classroom training expenditures or enrollments and the two cost per placement measures when unemployment was low, but there was a strong positive relationship with cost per enrollee (correlations were .7 and .9).

The Ohio sites did not repeat any of these patterns, however. Even when unemployment was low, the Ohio prime sponsors were not able to link increasing allocations to classroom training (either expenditures or enrollments) to increasing placement rates. Nor was there any relationship with costs per placements, cost per enrollee, or nonpositive termination rate.

The two groups of prime sponsors behaved differently when the relationships of OJT allocations to performance measures under conditions of low unemployment were examined. The Ohio sites were able to tie increasing proportions of expenditures for OJT to higher placement rates (correlations

Table 29: CORRELATIONS BETWEEN SELECTED PROGRAM ACTIVITY MEASURES AND FOUR PLACEMENT MEASURES, BY LEVEL OF UNEMPLOYMENT, NATIONAL SITES AND OHIO SITES, 1974-1976

		Low Unemployment (less than 6%)				High Unemployment (6% or above)			
		Placement Efficiency	Placement Rate	Indirect Placement Rate	Entered Employment Rate	Placement Efficiency	Placement Rate	Indirect Placement Rate	Entered Employment Rate
National Prime Sponsors	% Classroom Training Expenditures	.25	.63	.79	.22	*	*	*	*
	% Classroom Training Enrollees	*	.55	.79	*	*	.21	.36	*
	% OJT Expenditures	-.27	*	.32	*	*	*	*	*
	% OJT Enrollees	*	*	*	-.25	*	.22	.35	*
Ohio Prime Sponsors	% Classroom Training Expenditures	*	*	*	-.22	*	*	*	*
	% Classroom Training Enrollees	*	*	*	*	*	*	*	*
	% OJT Expenditures	.52	.63	*	.66	.26	*	*	*
	% OJT Enrollees	.69	.85	*	.69	.27	.41	.24	.33

* = correlation is less than ± .2

were in the .5 to .7 range for three measures). Similarly there was a strong association among the Ohio sites between an increasing proportion of OJT enrollees and increasing placement rates (correlations were in the .7 to .9 range for 3 indicators of placements). There was also a strong relationship between OJT allocations and cost per enrollee for the Ohio prime sponsors (correlations of .6 and .8).

The national sites, however, were not able to tie OJT commitments to higher placement rates when unemployment was low. There was a moderately strong relationship with a decreasing cost per enrollee as OJT commitments increased, which was opposite of what was found for the Ohio sites.

The relationships that existed between classroom training and OJT commitments and the performance measures when unemployment was low weaken or disappear when unemployment is higher. Relationships between proportions of enrollees in classroom training and OJT and the performance measures were more resistant to the effects of high unemployment than were the relationships between expenditures for classroom training and OJT and the performance measures.

When unemployment is high, the national sites did not demonstrate a relationship between classroom training expenditures and any of the placement measures, and there was only a modest association between the proportion of classroom training enrollees and two placement measures (.2 and .4 level). The Ohio sites continued to show no relationship between classroom training commitment and placements under conditions of high unemployment.

The link between OJT and placement observed for the Ohio sites with low unemployment was also weakened. There was almost no tie between proportion of OJT expenditures and placement (only one weak correlation with one placement indicator). There were consistent associations between the proportion of OJT enrollees and all placement measures (.2 to .4 range), although the relationships were substantially weaker than had occurred with low unemployment.

The indirect effect of unemployment on the relationships between work experience commitments and performance measures was not clear cut. The only generalizable finding that emerged was that under conditions of low unemployment, there was no relationship between the proportion of work experience enrollees and the three measures of costs, but when unemployment was high, there was a moderately strong, positive relationship with all three cost measures for both the Ohio and the national prime sponsor groups (correlations were in the .2 to .7 range).

Few relationships emerged between prime sponsors' Title I PSE allocations and program performance regardless of the level of unemployment. The one finding that did emerge was that when unemployment was low, increasing proportions of PSE expenditures and enrollments were very strongly related to decreasing placement rates (correlations ranged up to .9), increasing nonpositive termination rates (.9), and increasing costs per placements (.91 and .96). All of this is perhaps what one would expect of Title I PSE, but all of these relationships disappeared when unemployment was high. The Ohio sites imitated none of these patterns.

The only association that emerged for the Ohio sites was a moderately strong relationship between the proportion of PSE enrollees and the 3 cost measures (.2 to .5 range), again different from the national sites. One possible conclusion to be drawn from these relationships is that when unemployment is low, prime sponsors make little attempt to obtain placements from PSE, but when the unemployment rate gets higher, prime sponsors become more placement conscious with Title I PSE.

The results of a partial correlational analysis supported these findings. Partial correlations between the proportion of program activity expenditures and enrollments and the performance measures were examined after controlling statistically for unemployment rate. The partial correlations showed that the proportion of OJT enrollments was strongly related to increasing placement rates for the Ohio sites (partial correlations were in the .2 to .6 range for all measures). The proportion of classroom training enrollees was moderately related to increasing placement for the national sites (partial correlations were in the .3 to .5 range). Work experience enrollments were related to increasing costs for placements for the Ohio sites (.2 to .4 level for both measures), and an increasing proportion of work experience expenditures was weakly related to decreasing placement rates for the national sites (partial correlations were at the -.2 level for all measures).

Overall, judging from this examination of the indirect effects of unemployment on program performance, it is clear that the most noticeable indirect impact occurs on the relationships between prime sponsor commitments to classroom training and OJT and performance measures. When unemployment is low, classroom training and OJT are more likely to be strongly linked to increasing placements, but when unemployment is high, these links weaken or evaporate. Thus our earlier conclusions about the relatively weak constraints put on performance by unemployment continue to be valid, at least for a short-range future that seems likely to hold continued relatively high unemployment in it.

Characteristics of Participants Enrolled. The correlations between six characteristics of participants and the performance measures under the two different unemployment conditions revealed no systematic patterns for either the Ohio sites or the national prime sponsor group. Few relationships between participant characteristics and program performance measures emerged at all, and those were only of moderate strength, and only under conditions of relatively high unemployment. There was a weak inverse relationship between the percent of economically disadvantaged enrolled and the three cost measures (-.3 level). As the proportion of economically disadvantaged increased, cost efficiency improved.

For the national sites, there was an inverse relationship between the percent of nonwhites enrolled and the three cost measures (-.2 to -.5 level). In the national sites, as the proportion of nonwhites increased, the placement rates tended to decrease, although this was only a moderately strong relationship (-.3 to -.4 level). The Ohio sites did not demonstrate this pattern.

The results of a partial correlation analysis supported these findings. Partial correlation between participant characteristics and performance measures while controlling statistically for the effect of unemployment rate

confirmed again that participant characteristics were not related to any of the performance measures in a systematic way. The relationship that was observed was that the national sites tended not to be able to serve a high proportion of nonwhites and still maintain high placement rates—there was a moderately strong inverse relationship between the percent nonwhites and all of the placement measures (partial correlations were in the -.2 to -.4 range), but again the Ohio sites did not reveal this pattern.

From this test of the indirect effects of level of unemployment, we would conclude that the earlier conclusion that unemployment rate basically does not affect the nature of the participants served is still an accurate statement. No systematic relationships emerged, even when controlling for the indirect effect of unemployment.

Summary

Table 30 summarizes those management factors we found to be relatively highly related to good performance (defined as high placement, low nonpositive termination, and low cost). Very weak relationships have been eliminated from this summary table. Those with a relationship only with costs but no relationship with either placement or nonpositive termination have also been eliminated. And the two factors (level of conflict and integration of Title administration) that pushed in different directions for different indicators have been eliminated.

Some of the factors that were found not to have any relationship to performance are also important. Critically, none of those factors over which the staff has the least influence were found to be consistently highly related to performance. Even unemployment had only a modest impact. Thus local CETA staffs are not facing a situation over which they can fairly claim to have little or no control. Equally important, the nature of the participants served in terms of aggregate demographic and economic categories, does not have much impact on performance. This means that the hard-core, most disadvantaged part of the CETA eligible population can be served without sacrificing good placement and cost performance.

The table suggests that good performance on placement and costs are linked (that is only in part because of the indicators we chose to use; see Appendix B for evidence that the indicators are all measuring genuinely different aspects of performance). It also suggests that the nonpositive termination rate may not be highly susceptible to improvement by the manipulation of the management factors we have analyzed. That rate may be much more a function of motivational dispositions on the part of individual participants and the skill of a counselling and assessment staff in working with individuals.

EXPLAINING PRIME SPONSOR PERFORMANCE ON TITLES II AND VI

Six of the measures used for assessing Title I performance were also used for assessing Titles II and VI performance: placement efficiency, CETA placement rate, entered employment rate, cost per placement, cost per indirect placement, and cost per enrollee. Given the movement of individuals between Titles II and VI in 1976 we felt it most reasonable to combine data on the two PSE titles for analysis.

Table 30: SUMMARY OF ASSOCIATIONS BETWEEN MANAGEMENT FACTORS AND GOOD PROGRAM PERFORMANCE

	Presence of Association with Good Performance on:		
	Placement	Non-positive Termination	Cost
High quality staff (both top staff and all staff)	yes	yes	no
High degree of subcontracting for service delivery	yes	no	yes
High staff commitment to placement as a goal	yes	yes	yes
High quality of program monitoring	yes (weak)	no	yes
Relatively high level of OJT expenditures	yes	yes (weak)	yes
Relatively low level of work experience expenditures	yes	no	yes
Relatively high enrollments in OJT	yes	no	no
Relatively low enrollments in work experience	yes	no	yes

Table 31 presents a summary picture of PSE performance on these indicators. The figures are for June, 1976. We realize, of course, that placement is not the total goal of Titles II and VI and that these figures should not be compared directly with those for Title I (see Table 27 above).

On all but one of the measures (entered employment) the 15 national sites were performing somewhat better than the Ohio sites. Both groups of sites performed better than the national average on the placement indicators although both were more costly than the national averages except in the case of the national site cost per indirect placement.

We investigated the impact of seven factors on PSE performance: fiscal condition of the prime sponsorship, staff commitment to placement as a PSE goal, the relative size of the PSE allocation, economic conditions and demographic characteristics of participants, quality of staff (both top staff and all staff), level of conflict, and level of administrative integration between PSE and Title I. The last three had no consistent and strong impact. The first four did have some important relationships, however, and we will report on those.

Fiscal Condition

We judged the fiscal condition of our sites on the basis of presence or absence of layoffs of government employees, hiring freezes, cutbacks in local services, and budget deficits. Primes without any of these problems were judged to be in good fiscal condition. Those with all of them were judged to be in poor condition. Those with some but not all of the problems were placed in a moderate category. We related this judgment to PSE performance for the final quarter of FY 76 (June, 1976).

We found that when the fiscal condition of a prime is poor, placement performance suffers and costs rise. This was the expected pattern. Since most PSE slots go to local government agencies it is reasonable to expect low placements when those agencies are in a fiscal crunch. This finding held for all 32 sites both aggregated and separated into the 15 and the 17.

Staff Commitment to Placement as a PSE Goal

We judged the commitment of the prime sponsor staffs to placement as a PSE goal on the basis of our field work. We ranked the relative commitment in each prime on a four point scale. Twenty of the 32 staffs we interviewed had little or no commitment to placement. Nine had a mild commitment. Only three had a strong or very strong commitment. Cross-tabulations support the proposition that as the staff commitment to placement increases so do the three measures of placement activity we used. Despite other constraints, commitment can make a difference.

Relative Size of PSE Allocations

We calculated the size of the PSE programs in relation to total CETA allocations for each prime sponsorship (excluding Title II summer money). In general, those primes with the largest percentage of all their CETA money in Titles II and VI also did least well in terms of their PSE placements. Larger relative PSE programs made for fewer placements in a relative sense. The larger programs also had higher costs per placement.

Table 31: SUMMARY OF PSE PERFORMANCE, NATIONAL SITES, OHIO SITES, NATIONAL AVERAGE, JUNE, 1976

	Placement Efficiency	CETA Placement Rate	Entered Employment Rate	Cost Per Placement	Cost per Indirect Placement	Cost Per Enrollee
Highest Score for 32 Sites	26	19	74	$167,250	$254,857	6,646
Lowest Score for 32 Sites	3	2	7	12,412	21,683	2,380
Average for 15 National Sites	14	10	27	36,000	55,000	3,824
Average for 17 Ohio Sites	12	7	28	42,000	75,000	4,104
Average for 32 Sites	13	8	27	39,000	66,000	3,973
National Average	7	4	24	32,153	56,886	2,169

Economic Conditions and Demographic Characteristics of Participants

We used unemployment rate to measure economic condition and four participant characteristics: percent disadvantaged, on welfare, nonwhite, and high school graduates.

For all 32 prime sponsorships considered together the characteristics of participants enrolled in PSE programs are not related to any of the placement and cost measures. All correlations are less than .2. Very low placement rates from PSE cannot accurately be attributed to the nature of the clients served.

Unemployment shows only a weak relationship with two of the placement measures--placement efficiency (-.24) and CETA placement rate (-.27). The direction of the relationship was expected. But it is a weak relationship and shows no relationship to any of the other four performance measures. When the same relationships are inspected for the national and Ohio sites separately the same findings emerge. Only relatively weak relationships with two of the placement measures emerge as having any particular importance (-.30 and -.32 for the national sites and -.39 and -.25 for the Ohio sites). Importantly, participant characteristics still have no explanatory power.

Summary

To the extent that placement is a goal of PSE programs, it is fostered by relatively strong fiscal conditions in a prime sponsorship, a relatively smaller proportion of all CETA money in PSE, a relatively low unemployment rate, and a high staff commitment to placement. The first three factors are not under staff control. But the last one is and has been shown to make a difference. Furthermore, the three "non-manipulable" conditions faced by staff do not absolutely determine performance outcomes. The constraints are severe but there is usually still some room for manuever within those constraints for staffs committed to using PSE in part for placement purposes. And staff cannot claim that they will lower whatever placement potential they have by serving people who have characteristics usually associated with placement difficulty.

V. CONCLUSIONS: MANAGEMENT AND GOAL ACHIEVEMENT

The CETA system is a relatively new but highly complex one in which the conception of what constitutes good performance is itself the subject of continuing legitimate disagreement and debate and in which actions taken often have mainly indirect effects on desired performance, as well as some direct effects. To produce meaningful and useful empirically grounded findings about this system, we developed and employed a complex research design that has led us to address many different factors with many different analytical techniques and frameworks. No simple design would be likely to have much potential payoff.

We are under no illusion that we have discovered everything there is to discover about the relationships between CETA program management and high quality program performance. We are certainly under no illusion that the set of research problems with which we have been working for close to three years is a simple one.

There is, we believe, no magic key to producing CETA success. Nor, in fact, is there a simple definition of "success" in the CETA setting. We have been working with a multi-faceted conception of success and continue to believe that such a conception makes sense.

We have conducted our research on CETA management and goal performance with three broad aspects of success in mind (these are adapted from Fried, 1976):

1. Effectiveness in terms of goal achievement.

2. Responsiveness in terms of the congruence of the content of goals actually being pursued in programs with the content favored by individuals, groups, and organizations to whom the local program organizations are responsible in a formal sense. (This is a very large and diverse group in the case of CETA: Congress, the Department of Labor, local officials, and the local citizenry.)

3. Openness in terms of ease of access and scope of access for those individuals, groups, and organizations with interests at stake to the processes used for reaching a number of the decisions about how to maximize both responsiveness and effectiveness.

This concluding section contains three major parts: 1) a presentation of the explanatory model that is empirically supported by our findings; 2) a short summary of the principal observed relationships; and 3) recommendations based on our findings.

AN EXPLANATORY MODEL

We began our research with a very simple model that linked external local conditions, local management decisions, and prime sponsor performance (see Figure 1 on page 2). We supplemented this simple model with an empirically supported model of CETA implementation features based on our earlier study of all Ohio prime sponsorships. (Ripley and others, 1977:56). This model linked a number of features of local environmental constraints; local economic conditions; national policy and regional office activity; local decisionmaking influence patterns; individual actor perceptions, attitudes, and preferences; program decisions; and patterns of client service with each other.

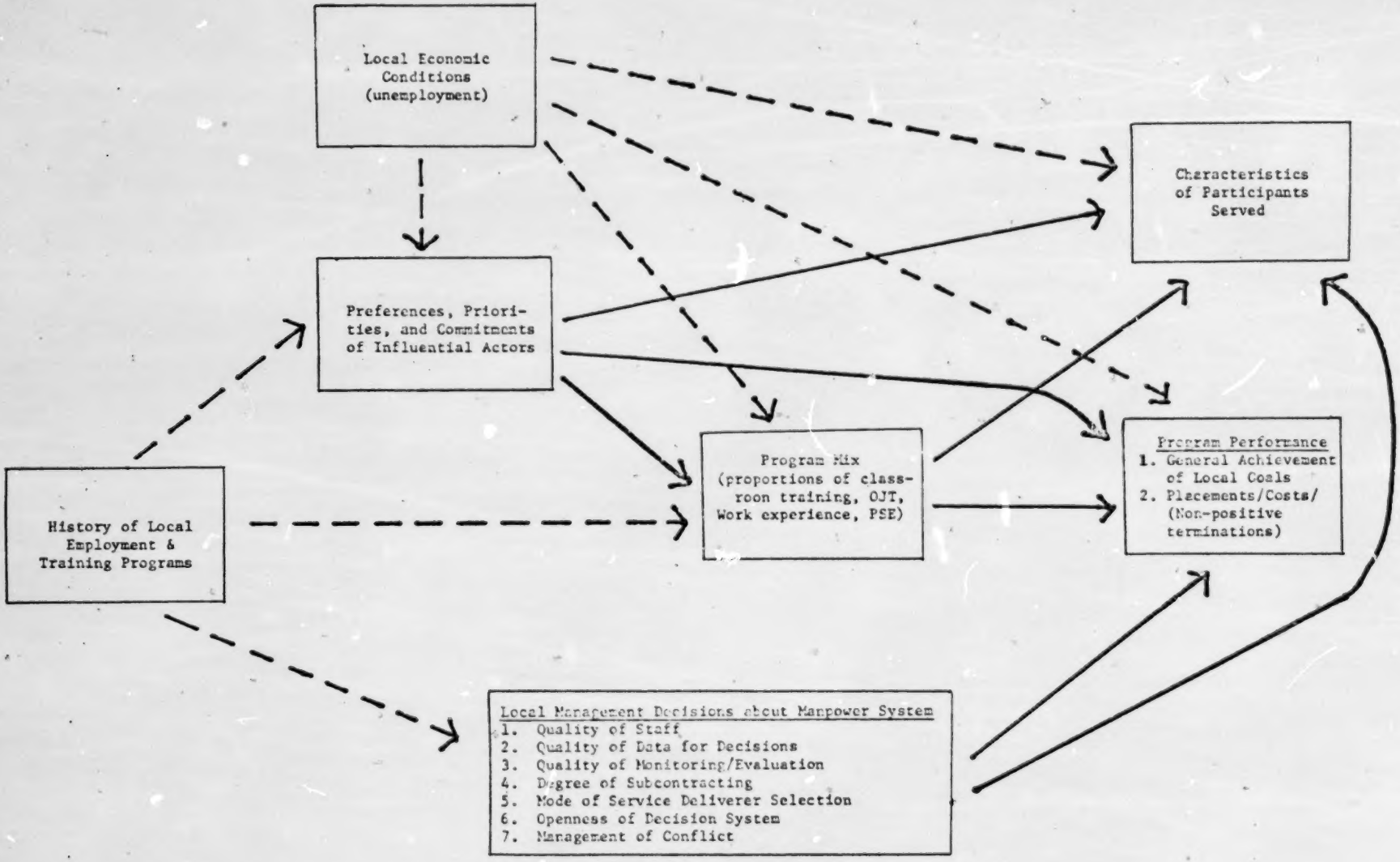
We are now in a position to elaborate Figure 1 on the basis of findings that have received strong support from the variety of analyses we have undertaken during the life of the present project. Figure 3 presents a relatively detailed model of the relationships that best explain the nature of participants served and program performance for Title I at the prime sponsorship level.

The broadest conclusion from this study, underscored by Figure 3, is that CETA at the local level is not a highly constrained system. Local decision-makers, particularly very competent and committed local professional staff members, have a great deal of latitude to choose different options as they design delivery systems. They also have a great deal of influence in determining who gets served and how well the programs perform.

In addition to the strong relationships that are portrayed in Figure 3 (which will be summarized below after the presentation of a simplified model) both the weak relationships and missing relationships are also extremely important because they make clear the latitude open to local decision-makers. Unemployment as a measure of local economic conditions has been found to have some shaping effect on local preferences, on program mix, on the nature of clients served, and on the performance of programs. But in no cases is the relationship deterministic or even overwhelmingly strong. The unemployment situation provides a mild to moderate constraint that certainly must be taken into account by decision-makers, but the mild constraints introduced by the unemployment situation do not alter the basic fact that those decision-makers still have a wide variety of different options in designing and operating their programs.

The history of local employment and training programs in pre-CETA days has certainly helped shape some lingering manpower preferences, some features of the manpower system (such as the identity of service deliverers), and some features of program mix (tied to the identity of service deliverers), but the impact of that pre-CETA history is fading. The three years since the beginning of CETA at the local level have, even in many instances in which there was a relatively well-developed manpower delivery system for categorical programs, witnessed a great deal of conscious, planned change. And, of course, there are a number of prime sponsorships in the nation that did not have much manpower activity at all before CETA. In those cases even the weak constraints of pre-CETA conditions are not present.

FIGURE 3: EMPIRICALLY SUPPORTED MODEL OF RELATIONSHIPS EXPLAINING NATURE OF PARTICIPANTS SERVED AND PROGRAM PERFORMANCE FOR TITLE I OF CETA IN PRIME SPONSORSHIPS


Local Economic Conditions (unemployment)
Characteristics of Participants Served
Preferences, Priorities, and Commitments of Influential Actors
Program Mix (proportions of classroom training, OJT, Work experience, PSE)
Program Performance
1. General Achievement of Local Goals
2. Placements/Costs/ (Non-positive terminations)
History of Local Employment & Training Programs
Local Management Decisions about Manpower System
1. Quality of Staff
2. Quality of Data for Decisions
3. Quality of Monitoring/Evaluation
4. Degree of Subcontracting
5. Mode of Service Deliverer Selection
6. Openness of Decision System
7. Management of Conflict
KEY
- Strong Relationships
- Mildly Constraining Relationships

Two relationships that are missing altogether from Figure 3 are also of vital importance. These are relationships for which we tested but were found not to be important. The first of these important non-existent relationships is the fact that the demographic makeup of a community does not determine the nature of those whom the prime sponsorship chooses to serve. (There are, of course, a few commonsense limits to this assertion: a community completely devoid of Spanish-speaking citizens, for example, obviously could not service Spanish-speaking citizens!) Given that the dollar resources allocated to prime sponsorships will not allow all of the eligible population to be served, the large element of deliberate choice afforded prime sponsorships becomes even more apparent and more important.

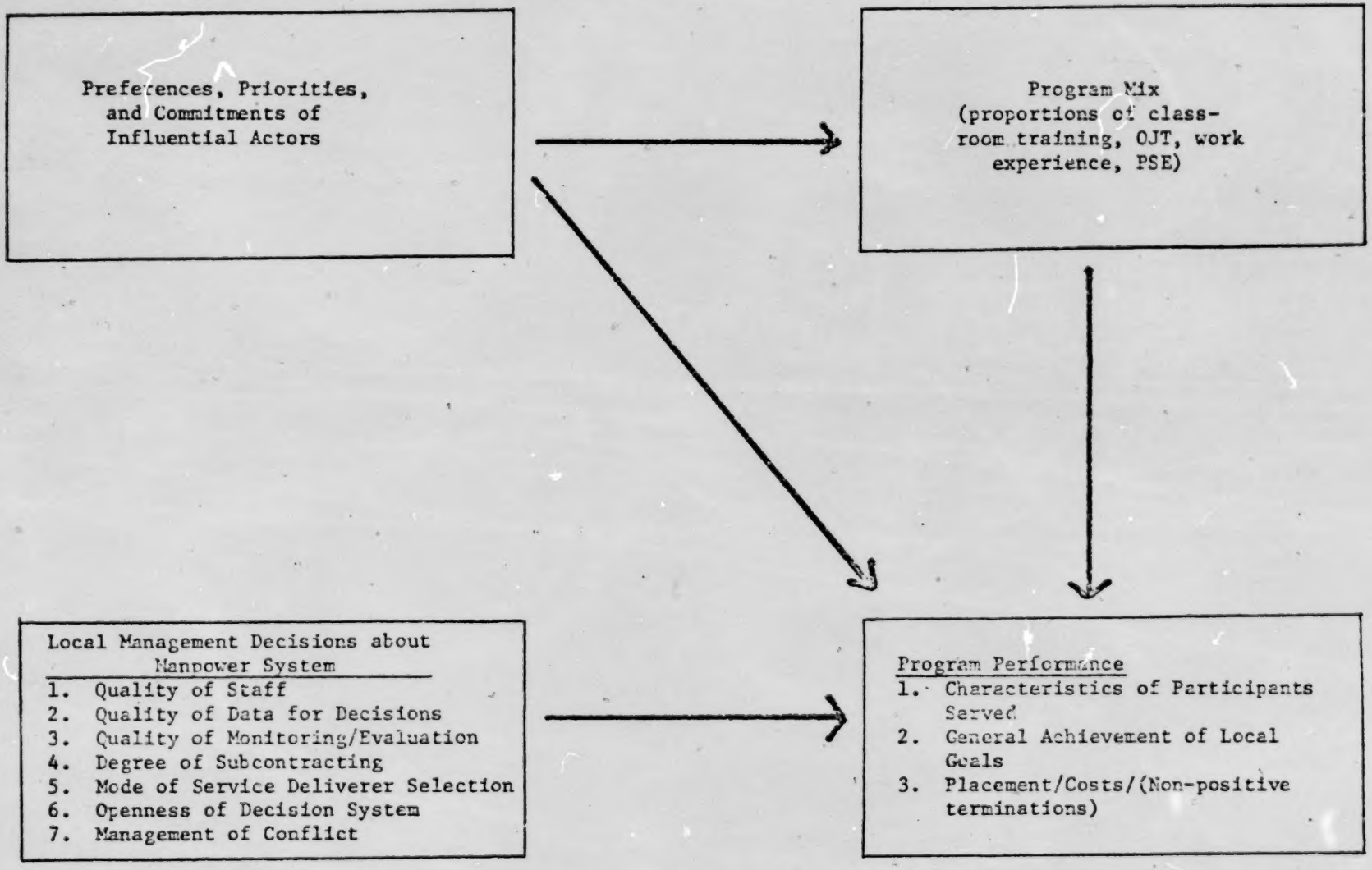
The second important missing relationship is the lack of impact of the aggregate nature of participants served on program performance. Programs can perform just as well on the measures we used when they concentrate on the relatively most disadvantaged part of the eligible population as when they gravitate toward the relatively least disadvantaged, who are presumably "easier" to serve. We think the "easier to serve/harder to serve" distinction that appears both in some of the manpower literature and certainly in the rhetoric of some manpower practitioners is often used very loosely and as an illegitimate excuse for poor performance.

We do not deny that some people are likely to be easier to serve than others, but we have found no support for the notion that the level of difficulty can be measured by aggregate demographic characteristics. Personal characteristics such motivation are, no doubt, important. Other attributes, such as minority status, might be important in a community in which all potential employers discriminated heavily against minorities. But the undeniable fact remains that some primes have chosen to serve the most disadvantaged (as measured by features such as sex, ethnicity, economic status, welfare status, and education level) and have performed very well. Others have chosen to serve more of the relatively less disadvantaged and have not done particularly well with their programs.

One entire set of relationships missing from Figure 3 could also have considerable importance. This is the absence of any consistent, major impact of activities of the regional offices of DOL. In part this is because of the nature of CETA. But in large part it is also because of the nature of the questions on which the regional offices have decided to focus and on the style, training, and capabilities of the federal representatives (see Van Horn, 1977). As our recommendations later in this section make clear, we do not think that such a relatively passive role for the regional offices is either inevitable or desirable.

Figure 4 presents a simplified model of the relationships that explain performance for Title I of CETA at the prime sponsorship level. Several simplifications have taken place when Figure 4 is compared to Figure 3. First, the mildly constraining factors and relationships have been removed. Second, because aggregate characteristics of participants served have very little impact on performance as measured by general achievement of local goals and by a variety of indicators of placement, costs, and non-positive termination, it seems reasonable to consider those characteristics as another feature of program performance.

FIGURE 4: SIMPLIFIED MODEL FOR EXPLAINING PROGRAM PERFORMANCE FOR TITLE I OF CETA IN PRIME SPONSORSHIPS


Preferences, Priorities, and Commitments of Influential Actors
Program Mix (proportions of classroom training, OJT, work experience, PSE)
Local Management Decisions about Manpower System
1. Quality of Staff
2. Quality of Data for Decisions
3. Quality of Monitoring/Evaluation
4. Degree of Subcontracting
5. Mode of Service Deliverer Selection
6. Openness of Decision System
7. Management of Conflict
Program Performance
1. Characteristics of Participants Served
2. General Achievement of Local Goals
3. Placement/Costs/(Non-positive terminations)

The following brief summary of the principal findings from our research is organized around the relationships portrayed by the four arrows in Figure 4.

SUMMARY OF PRINCIPAL OBSERVED RELATIONSHIPS

The Impact of Influential Actors' Preferences on Program Mix

1. Actors' preferences for different kinds of programs had an impact on the program mix actually chosen. The more influential actors had their preferences more nearly satisfied than the less influential actors. This finding is, perhaps, not profound, but it is reassuring to know that program mix is not somehow determined by forces beyond the control of the actors in the system.

The Impact of Influential Actors' Preferences on Program Performance

1. Actors' preferences about who gets served in fact helps determine who gets served. Again those with more influence in the system in general also get more of their preferences satisfied in terms of the kinds of CETA participants enrolled.

2. Staff members are more likely to achieve goals on which they put a higher priority than those on which they put a lower priority. Commitment counts because, in fact, it signifies a willingness on the part of staff to take the necessary steps to make the achievement of the higher priority goals more likely.

3. Prime sponsorship staffs with stronger commitments to training programs and placements will also be the most likely to have programs that perform better on the various placement and cost measures we have used.

The Impact of Program Mix on Program Performance

1. Program mix helps determine the nature of the participants who will be served. Expenditure of Title I funds on PSE is associated strongly with fewer economically disadvantaged and female participants. Expenditure of Title I funds on classroom training is moderately related to a high proportion of service to the economically disadvantaged. Expenditure of Title I funds on work experience is moderately highly related to a high level of service to women. Other relationships are weak and/or inconsistent over time.

2. Program mix also influences program performance. Specifically, relatively high expenditures for and enrollments in OJT helps produce strong showings on placement and cost indicators and also leads to some improvement in the non-positive termination rate. Relatively low expenditures for and enrollments in work experience also help produce strong performance as measured by placement and cost indicators.

The Impact of Local Management Decisions on Program Performance

This area is the one in which we have put much of our effort both in terms of original data collection and in terms of analysis. It is also the area in which we have the most findings. The central overarching finding is that management decisions, as we have defined them, do have the potential for improving program performance. By the same token they also have the potential for contributing to deteriorating performance.

1. High quality staff at all levels is associated with the ability of a prime sponsor to set reachable goals and attain them.

2. High quality staff at all levels is associated with good performance on placement and non-positive termination measures.

3. The use of good data for planning is associated with the making and implementation of conscious choices about what participants to serve.

4. The existence of high quality monitoring of programs within a prime sponsorship helps lead to good performance as measured by placement rates and cost ratios.

5. The existence of high quality monitoring and evaluation has the effect of helping reduce conflict between prime sponsor staff and subcontractors engaged in service delivery. The reduction of what is often extraneous and unfocused conflict is assumed to help increase service delivery success over time.

6. A prime sponsorship that relies entirely or almost entirely on subcontractors for service delivery tends to set and achieve goals better than a prime sponsorship that retains a considerable portion or all of the system for in-house delivery.

7. A prime sponsorship that relies extensively on subcontractors for service delivery is more likely to have good performance in terms of placement rates and costs than a prime sponsorship that retains all or a sizeable portion of the system for in-house delivery.

8. If subcontracting for service delivery is done through some form of a request-for-proposal, this will help increase the perceptions of the actors in the manpower system that the proportion of "rational" decision-making compared to "political" decision-making is increasing. This perception helps reduce unfocused conflict within the system.

9. Prime sponsorships with relatively open decision-making processes will make more conscious choices about what participants to serve than those with less open decision-making processes.

10. The existence of more open processes does not reduce conflict but does help to sharpen and focus it on relatively important issues, such as significant segments identified for service and the relation of specific deliverers to the achievement of system-wide goals. Focused conflict is related to conscious decisions about total system design. Such decisions presumably will lead to a higher proportion of general goal achievement over time.

11. A conflict management strategy that opts for total avoidance of overt conflict is likely to increase unfocused conflict (it certainly will not reduce it) and is likely to decrease the chances that system design decisions are made self-consciously and after assessment of some alternatives. A strategy that seeks to shape conflict so as to focus on important decisions also seems likely to lead to more conscious decisions about participants and a higher degree of general goal achievement over time.

Our findings about the relation of management decisions to program performance are summarized in Table 32. The table reports cases in which our evidence supports assertions that specific aspects of management have a beneficial impact on several major elements of program performance. The empty cells represent one of two cases: either 1) relationships we tested but that were found not to be present in either direction, at least using the analytical techniques we chose and the data we had available; or 2) relationships that may be present but for which we did not test.

Reduction of unfocused conflict is included on the table even though we did not use it as a direct measure of performance in our research, because we have observed that its presence helps deter goal achievement in primes and its absence is beneficial instrumentally to the achievement of other goals.

RECOMMENDATIONS

The specific recommendations in this section are based on the findings and observations contained in this report, in our detailed reports on the 15 national sites, and in our published monograph on CETA in Ohio (Ripley and others, 1977). They are not merely generated from our own values and opinions, although we have also tried to make those values and opinions clear where appropriate. There are empirically supported reasons for making the specific recommendations we have chosen to make and for believing that the adoption of them would promote better CETA performance.

Recommendations are offered in seven major areas: 1) service to the disadvantaged; 2) level of commitment to training and placement; 3) open decision-making at the local level; 4) monitoring and evaluation; 5) subcontracting and service deliverer selection; 6) business involvement in CETA; and 7) organized labor involvement in CETA.

The implementation of many of the recommendations that follow would, of course, be the responsibility of local prime sponsorships. But there is also a definite and important role for the Department of Labor in the improvement of CETA programs and performance. We take the view that, although CETA is a decentralized program administratively, it is still a program with national purposes. We think that DOL can help define and achieve those national purposes by timely and focused activities and interventions. In order to be maximally effective, DOL must focus on those goals imbedded in the statute that it can reasonably hope to influence. Some of the recommendations that follow would involve day-to-day activities of the regional offices, some would involve the leadership of the national office of ETA, some would involve changes in the statute,

Table 32: SUMMARY OF OBSERVED RELATIONSHIPS BETWEEN MANAGEMENT DECISIONS AND PROGRAM PERFORMANCE

Aspect of Management	Observed Beneficial Impact on: Conscious Choice of Participant Priorities	General Goal Achievement	Placement	Non-Positive Termination	Costs	Reduction of Unfocused Conflict
Development of a high quality staff		X	X	X		
Collection and use of good data for planning	X					
Development of high quality monitoring & evaluation of programs			X		X	X
High degree of subcontracting for service delivery		X	X		X	
Use of some form of RFP for subcontracting						X
Stress on an open decision-making system (including an involved advisory council)	X					X
Conflict management strategy aimed at focusing conflict rather than avoiding it totally	X	X				X

and some would involve primarily local activity. A number would require specific actions of several different kinds.

We are not arguing for either re-centralization or re-categorization of manpower programs. We think that the decentralized administration of CETA makes a good deal of sense, especially when accompanied by limited, but important leadership from DOL.

We certainly do not see the utility of the expansion of DOL activity and requirements in all areas of CETA. Local desires and preferences should be respected in many areas. Focused leadership from the Department would involve more concentration on important national goals (for example, service to the disadvantaged) and fewer demands on prime sponsors in less important areas (for example, some grant proposal and reporting requirements could be simplified and some areas of DOL monitoring and field assessments could be eliminated or at least reduced).

We would also observe that many, in fact most, prime sponsorships would welcome competent, systematic technical assistance from DOL in the form of concrete advice on how best to engage in meaningful labor market planning and how to tie such planning to program decisions. Even good local staffs find it very difficult to interpret planning data when they are trying to develop policies and programs related to those data. Thus even good staffs often react only to data on the operations of their CETA programs (intake, placements, and so on) in making program adjustments rather than also reacting to data on changes in the local labor market. DOL assistance in this area, which would first require considerable training of federal representatives, would be very valuable, even to local staffs that are already very competent. There would also be some upgrading potential for less good local staffs in this kind of assistance. Given the vital importance of high quality local staff to good program performance revealed by our research, DOL should consider making this area of training for federal representatives a high priority.

Service to the Disadvantaged

The claims of some prime sponsors that they cannot serve the most disadvantaged and maintain good levels of performance can be rejected on the basis of our evidence. High levels of service to the disadvantaged and good performance can go together.

DOL has increasingly stressed service to the disadvantaged in CETA in the last few years and has publicly worried about the tendencies of many prime sponsorships to serve fewer disadvantaged. We think both the emphasis and the concern are warranted. We hope that all prime sponsors will voluntarily adopt and pursue such an emphasis, as many have already done. However, when prime sponsorships are reluctant or unable to pursue this emphasis voluntarily, the Department of Labor has a number of courses of action it can follow to generate such an emphasis.

1. Regional offices of DOL should examine more closely the agreement between prime sponsors' participant service patterns and the actual need in the area during plan reviews and modifications, and then monitor the performance of the prime sponsorships in achieving those plans. Under

service to the economically disadvantaged should be of particular concern. We are not suggesting, however, the necessity of a perfect correspondance between universe of need and planned service. Given varying local goals, there may be good reasons to overstress one or more groups in terms of service compared to presence in the universe of need. But decisions about such emphases should be conscious and should require explicit justification.

2. In order to implement the first recommendation effectively, DOL must take the lead in addressing the problem of data quality for making judgments about universe of need.

Relevant data must, of course, be available and interpretable at the local level if the local officials and staff are going to be responsive to this emphasis. DOL can help the primes attack the data problem in two ways: by mandating certain kinds of data collection and reporting and by aiding in the development of definitions and sources of good data. Primes could be required to report participant characteristic data broken down by major program component, by service deliverer, and by major geographical subdivisions in the prime sponsorship (including separate program agents in the PSE programs). They could also be required to compile longitudinal trend analyses of a simple character on changing participant characteristics by titles, program components, service deliverers, and geographical areas and program agents.

Prime sponsorships that are most effective in stressing disadvantaged participants undertake such analyses on a routine basis and use the results as a management tool. It enables them to exercise control of what is, in many cases, a highly decentralized intake process. Decentralized intake, however, need not mean uncontrolled or random patterns of participant service.

The central conceptual problem DOL should address is developing an authoritative definition of "universe of need." Once the definition is developed then ETA should work with the Bureau of Labor Statistics, the Employment Service, and the Bureau of the Census to develop reliable and useable data that would be routinely available for prime sponsorship use in the planning and operation of their programs. Many prime sponsorships are still in the position essentially of guessing about their universe of need. And different primes use very different definitions of universe of need, often only implicit, as they address the problem.

We realize that improving data for this critical measurement in the magnitude about which we are talking will be costly. However, the most effective management of both CETA and other locally implemented programs cannot be achieved without better data for planning and for measuring performance.

3. Primes should be given some incentives for collecting and using good data. Even clear requirements in the regulations might not produce the desired performance. The incentive structure at present often seems to promote sloppiness and perhaps deliberate manipulation of numbers to please or at least placate a given federal representative or regional office.

Some negative incentives are implied by the first recommendation, above. If DOL monitoring of performance in this area is serious and well-executed, primes not performing well might be subject to delays in funding, letters to political officials and advisory councils, and "jawboning" by DOL officials.

But positive incentives should also be sought, as they often work better than negative incentives. As a beginning, a few pilot prime sponsorships, ones that have already shown some capability and leadership in the area of using good data to support an emphasis on disadvantaged participants, could be given some extra funds. These funds would pay for extra staff persons and/or time to develop the techniques of data management and analysis further and to demonstrate them to other primes in their regions. The Secretary could also use discretionary money he already has to reward prime sponsorships engaged in careful analyses of universe of need and, more important, engaged most consistently in serving national priority groups in that universe of need.

4. If added and consistent stress on disadvantaged participants is an important goal in CETA, then it could be strengthened by some specific changes in the statute:

a. Minimal levels of service to the economically disadvantaged could be specified: for example, 75% of all Title I participants for every prime sponsorship and 50% of all PSE participants.

b. In the allocation formula for Title I (section 103) "low-income level" could be changed to "poverty level." Or, if that change would treat areas with large numbers of the "working poor" (those who are motivated to work but are stuck in unfairly low-paying deadend jobs in the secondary labor market--see Doeringer and Piore, 1975), both elements could be included in the formula.

c. Also in the allocation formula, the relative weights of unemployment, low-income level, and poverty level (if used) could be changed in favor of the latter two considerations. Careful projections of the impact of such changes should be made before any final decisions are reached. Greater stress on low-income or poverty could be expected to increase allocations to rural southern areas, for example. In order to increase allocations to older cities, particularly in the northeast, the formula might need to be changed so as to reduce the 50% of the allocation based on the previous year's allocation and simultaneously to increase the percentage of the allocation based on the combination of unemployment and low-income/poverty.

d. The phrase "those most in need" (section 105) should be specified more precisely--ideally in accord with some good definition of universe of need for which data are available.

e. In the section of definitions in the Act that affect eligibility for CETA services (section 701), a restrictive definition of economically disadvantaged should be included. For example, the poverty level could be used, or a mix of low-income level and poverty level could be used. The concept of "underemployed" might be refined to address the problems of the working poor (as defined above) more explicitly.

"Unemployed" might be qualified by adding a period of time for which a person has to be unemployed to be eligible (for example, between 30 and 90 days). Unemployed and underemployed persons below the poverty level would of course, still be eligible at any time. But those above the poverty level would have to meet more stringent criteria to be eligible.

Level of Commitment to Training and Placement

The Department of Labor has recently shown an increased level of commitment to training and placement in CETA. Such commitment at the local level has been demonstrated in this report to have the desired payoff. Therefore, we think that both the national and local commitments are proper. In addition to continued "jawboning" in favor of a stress on training and placement the following steps should be considered:

1. DOL should take the lead in providing the methodology for developing more refined data useful in deciding for what occupations training should be offered and for how many people. A vague general commitment to training may result in inappropriate training for jobs that are not really there or that have been filled before many of the trainees have completed their training. Likewise, DOL should insist that program-specific performance data be kept that could be used in making decisions about creation, discontinuance, and size of specific training modules.

2. Given the effectiveness of OJT but the relatively limited use of it, DOL might consider allocating a little incentive money to prime sponsorships that are willing to increase their OJT stress in creative ways, assuming, of course, that analysis had determined that the local OJT market is not saturated.

3. Present DOL discretionary money allocations might be more closely and specifically tied to high levels of commitment and/or performance in the training and placement areas on the part of primes receiving it. This could include some PSE discretionary money that could be set aside for primes that had developed a training component to their PSE programs.

4. The consortium incentive allocation could also be tied specifically to performance in the training and placement field by consortia rather than simply given out automatically to consortia that geographically encompass most of a labor market. There seems little point in giving extra Title I funds to a consortium simply so it can fund more work experience programs or even divide up a sizeable amount of the funds among the partners to use for Title I PSE programs. If the Secretary's discretion to do this is not clear enough under the statute (section 103), then the statute should be amended. Other programmatic criteria (such as comprehensiveness) should also be left as legitimate criteria by which the Secretary can determine the amount of consortium funds to be allocated in any given case. In any event, there is no evidence in the literature that consortia are automatically better in programmatic terms than other primes and therefore deserve an automatic add-on in their Title I allocations.

5. It has been found in another study (MDC, Inc., 1977) that, as presently constituted, the 5% vocational education portion of the special grants to governors (section 112 of the statute) is not very useful.

If the provision is not scrapped altogether, it might be made more useful by tying the distribution of the money within states to an incentive formula that would reward prime sponsorships for their own efforts in the classroom training area. All or part of the money might also be tied to support for skills centers in prime sponsorships, if they are considered useful training institutions that can be made responsive to labor market changes. In a number of our sites we found evidence that skills centers were being closed or cut back because they suffer a comparative disadvantage with public vocational schools, which receive both state and local support. Thus a prime sponsor pays the entire cost of a slot in a skills center but only part of the cost at other vocational education institutions.

6. The evidence is that 4% grants to governors are not used very effectively in most instances and are often used simply to relieve specific prime sponsor costs or for PSE (see MDC, Inc., 1977; and Ripley and others, 1977). If it is politically necessary to leave these grants in the statute, at least language could be added (section 103) specifying legitimate uses of the grant and tying those uses to training activities.

7. In order to foster at least some emphasis on training in Titles II and VI, a provision should be added to the statute requiring that some small part of that money (perhaps 5% or 10%) be used for training. Simultaneous elimination of the program agent provisions (section 204) would also be useful in giving the prime sponsorships clear and unambiguous responsibility for the administration of all money coming through Titles II and VI.

Open Decision-Making at the Local Level

Especially for purposes of focusing debate on public issues and reducing unfocused debate and suspicions about rigged decisions, an open decision-making process at the local level is very valuable. During our field work we witnessed and commented on several effective variations of such a process.

The advisory council is at the heart of an open decision-making process, although the process consists of more than simply having an involved council.

In those prime sponsorships in which an active and influential council was present one of two conditions was likely to exist: either there was a relatively high degree of harmonious agreement about the shape of the CETA program or, even if agreement was not present, a process for dealing with disagreement was in place and functioning and, most important, that process was widely regarded as legitimate. Thus, solutions could be reached that would leave even those whose interests had been given less attention with a feeling that a fair process had been used.

In those primes in which the advisory council was not influential (even if active in a pro forma way) one of two situations was likely. Either there were unresolved conflicts that were harmful to at least some aspects of the program, or the staff felt it necessary to adopt a very conservative

attitude toward their program. The conservative stance was adopted because staff felt that any changes or innovations might threaten someone and the system did not have a process widely recognized as legitimate for dealing with the conflict that might erupt if change were proposed or pursued.

1. Our first recommendation is very broad. It is simply that prime sponsors without one consider seriously the merits of developing an open decision-making and planning process that has at least the general features indicated below. Regional office representatives could monitor and give suggestions on the establishment of such a process, although basically the initiative has to be local. Naturally, any given local process will vary somewhat from any other specific local process because of specific needs, conditions, and personalities. But the general outlines of what we have found to be very useful have wide applicability:

a. The process needs to focus on the establishment and articulation of local goals. Broad goals should be considered first, and then more specific goals involving choices of program activities, significant segments, and service deliverers can follow.

b. Whenever possible, meetings should be open and widely publicized. Participation of interested persons from the community should be stimulated, not just tolerated.

c. Data should be brought into discussions in the public process by staff. This will encourage the participants to deal with more than just rhetoric and to make choices at least in part on the basis of data and analysis.

d. The institutional core of the open decision process is the relationship between the staff, political officials, and advisory council. Staff and the council should interact on recommendations and decisions. They then can make their recommendations to the political officials. This constrains political official choice to some extent, but also offers protection to the political officials from charges that they are proceeding arbitrarily--without reference either to data or to views of interested parties.

e. The advisory council needs considerable encouragement and direction from staff, at least until it is a self-confident, routinely functioning part of the CETA system. Support consists primarily of staff time and preparation and explanation of special data analyses readily grasped by a volunteer council.

The value of the open process outlined above is underlined by our finding that prime sponsor staffs that use strategies of complete conflict avoidance often perpetuate the weak features of their total program. The open process is at the heart of a conflict management strategy that focuses disagreement on important issues.

2. In addition to local initiative in developing an open decision process (and regional office helpfulness and, when necessary, insistence in promoting it), several amendments to the statute would be helpful:

a. It should be specified (section 104) that the chairperson of the advisory council cannot be an elected official or professional manpower staff member working for the prime sponsor.

b. The responsibilities of councils for considering all CETA plans and activities, not just Title I, should be made clear (section 104). The language used in the 1976 Title VI amendment (PL94-444, section 609) might serve as a model for such expansion.

c. Service deliverers (subcontractors) should be prohibited from being voting members of the council (section 104). The regulations prohibit service deliverers from voting on their own programs but we favor this additional prohibition and think it should be in the statute.

d. A new standard assurance should be required of prime sponsors (section 105) that advisory councils will have ample time and notice to consider proposed plans and major modifications in those plans for all titles.

Monitoring and Evaluation

Monitoring at the local level is both feasible in all prime sponsorships and is essential to program management that helps lead to better performance. Evaluation is more complicated and is presently feasible only in different forms in different prime sponsorships. Ultimately, we think it has a great deal to contribute to management that leads to better performance, but we certainly would not claim it is a cure-all or that it is easy. Good monitoring and evaluation have also been shown to reduce debilitating conflict between prime sponsor staff and service deliverers, an important precondition for making cooperative programmatic improvements.

1. Essential features of a good monitoring system that should exist in all prime sponsorships are specified below. Regional office representatives should be trained to offer specific help in establishing or improving such systems. They should also carefully assess performance of these systems.

a. The local Management Information System should be supportive of monitoring. This means, above all, that the emphasis in developing MIS be placed on developing a system that is able to be understood and used by all of the staff members dealing with monitoring.

b. Monitoring entails both on-site visits and desk reviews of reports. A standard report form will often not be appropriate for all programs, and variants should be developed when necessary.

c. All programs and deliverers should be monitored routinely.

d. Monitoring needs to be tied to corrective actions or it is a waste of everybody's time.

e. Feedback to those monitored should be maximized and should be given in the spirit of helpful (but forceful) technical assistance.

2. Evaluation of a specific, technical nature should be undertaken only when some critical preconditions are met:

a. There is genuine competence in the staff to undertake evaluation.

b. There are clear local goals that give meaningful context to the evaluation activity.

c. There are definite plans for using the evaluations in subsequent decision-making.

3. Ideally, the results of evaluations should be made public in the context of the open decision process described above.

Subcontracting and Service Deliverer Selection

1. Because CETA delivery systems that are all or mostly subcontracted tend to perform better in terms of general goal achievement and specific performance measures than other systems, prime sponsorships and the Department of Labor should promote this kind of delivery, although we realize it is not completely appropriate in every local situation. Mixed systems--with substantial in-house components co-existing with major subcontractors--are particularly difficult to manage in large prime sponsorships, because competitors usually believe (often with justification) that the in-house components receive favored treatment. This is not necessarily the case in smaller prime sponsorships. There it may be possible to retain one or a few specific major components of the system for in-house operation without creating serious problems.

2. Where subcontracting is used, some form of competition for designation as service deliverers is healthy and likely to enhance both management potential and deliverer performance. That form need not be an elaborate, annual, formal RFP process for all program components. There are many variants to an RFP "spirit" that can be tailored to local conditions. An RFP process, of whatever specific form, is likely to have additional utility if it is tied both to performance contracting and to the open decision process described above.

Business Involvement in CETA

There is only limited hard evidence that business involvement in CETA has resulted in better program performance. But there is at least scattered evidence, both in this report and elsewhere. And there are good theoretical reasons for expecting that, in the long run, business involvement could be very helpful in the sense of opening positions for CETA participants (see Blair, deMik, and Doggette, 1976). The lack of evident impact is, at least in part, because there has been so little business involvement to date. Most prime sponsorships, even very good ones, have not developed a well-rounded strategy for attracting and retaining important business involvement.

1. Our general recommendation in this area is that prime sponsor staff should develop and implement strategies for involving business. Several specific first steps on the part of staff members seem feasible and

potentially useful: a) to make sure that there is a sizeable number of business representatives on the advisory council who will, in fact, attend and participate; b) to urge political officials to use their contacts in the business community to promote some interest in CETA; c) to work with individuals from the business community in developing occupational forecast surveys; and d) to publicize successful CETA placements already made in the private sector.

Organized Labor Involvement in CETA

There is even less labor involvement than business involvement in CETA at present. Thus there is certainly no evidence that it is "necessary" for CETA success in a statistical sense. However, given union control over job entry in some trades, it makes sense to make at least the following minimal recommendation in this area.

1. Prime sponsor staffs in heavily unionized areas should, with the encouragement and assistance of DOL, attempt to get serious union involvement in CETA. At a concrete level, the possibility of using some CETA funds for apprenticeship or pre-apprentice programs should be explored very carefully.

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APPENDIX A: SUMMARY OF LOCAL GOALS AND GOAL ACHIEVEMENT, 15 SELECTED PRIME SPONSORSHIPS

Prime Sponsorship		Goal	Degree of Success in Achieving Goal
Connecticut Balance of State	1.	Place clients in unsubsidized private employment	[illegible]
	2.	Maximize use of Title I money and slots for classroom training and OJT	Moderately high
	3.	Improve coordination with ES	High (early stages)
	4.	Offer services to designated significant segments	Moderate
Lowell Consortium, Massachusetts	1.	Hold deliverers responsible for performance and build a manpower system in the process	High
	2.	Control and manage politics related to CETA	High
	3.	Involve the private sector (business and labor) heavily	High
	4.	Achieve high rates of placement and retention in the private sector	Moderately high
	5.	Put special stress on serving the Spanish-American community	High
Cumberland County, N.J.	1.	Minimize conflict, maximize good relations, and maximize centralized programmatic control	High
	2.	Establish and maintain a high degree of decategorization and comprehensiveness	High
	3.	Coordinate CETA with other community and social service agencies and efforts	High
	4.	Serve temporarily unemployed heads of household with Title II and use Title VI for public works projects	High
	5.	Achieve high placement rates	Moderate

Prime Sponsorship	Goal	Degree of Success in Achieving Goal
Yonkers, N.Y.	1. Establish a comprehensive, well-structured delivery system	High
	2. Enhance the self-sufficiency of clients	Moderate
	3. Serve most needy participants	Low
	4. Place participants in unsubsudized jobs	Moderate
	5. Service significant segments	High
	6. Create and maintain a centralized unit for manpower services	High
	7. Control performance of deliverers	High
	8. Improve job development	Moderate
Wilmington, Del.	1. Place clients in unsubsidized employment	Low
	2. Improve the program performance of contractors	Moderate
Luzerne County, Pennsylvania	1. Create and maintain decategorized and comprehensive system	High
	2. Achieve County control of programs	High
	3. Serve significant segments	Moderate
	4. Achieve high placement rate in the private sector	Moderate
	5. Cut costs	Moderate
	6. Transition PSE employees to permanent jobs	Low
Birmingham Area Manpower Cort., Alabama	1. Increase potential for job placement	Moderate (very broad goal)
	2. Serve target groups	High
	3. Avoid conflict	High

Prime Sponsorship	Goal	Degree of Success in Achieving Goal
Cumberland County, N.C.	1. Maximize the amount of CETA money spent on direct employment and training services for clients	High
	2. Serve those most in need, especially low income and minority persons	Moderate
	3. Place people in permanent employment	[illegible]
Duluth, Minn.	1. Provide more effective training	Moderately high
	2. Provide income maintenance to keep work force intact	Moderately low
	3. Serve target groups set nationally	High
	4. Assure necessary liaison with various agencies and groups for improving programs	Moderately high
	5. Promote economic development	Low (very ambitious goal)
Arkansas Balance of State	1. Enhance the employability of every citizen and insure that every citizen has an opportunity for a job	Moderately low overall *
	2. Assist local governments to achieve a high degree of control in planning and using federal manpower dollars	Moderately high (a new goal)
Dallas County Consortium, Texas	1. Place clients in permanent, unsubsidized employment	Moderately low
	2. Help improve general economic situation	Low (very broad)
	3. Improve the subcontracting process	Moderate
	4. Develop nontraditional training programs for women	Moderately high
	5. Develop linkages with other social services agencies	Moderate

* This is an unreachable goal as a whole. There has been an uneven pattern of achievement on specific components. The degree of success has been relatively high on a few components.

Prime Sponsorship		Goal	Degree of Success in Achieving Goal
Central Iowa Regional Association of Local Governments	1.	Create a professional, efficient staff	(beginning stages) --a new goal
	2.	Serve the greatest number of eligible clients with the greatest need	Low
Denver, Colorado	1.	Serve those most in need with available resources	High
	2.	Achieve high rates of placement and retention in unsubsidized private employment	Moderate
	3.	Build an integrated manpower system that is cost effective	Moderate (early stages)
Sacramento-Yolo Consortium, Cal.	1.	Improve quality and credibility of central manpower staff	Low (new goal)
	2.	Retain commitment to training activities	Moderate
	3.	Streamline and rationalize delivery system	Low (new goal)
	4.	Make program decisions on basis of good data	Low (new goal)
	5.	Increase number of placements	Moderately low
	6.	Increase quality of jobs in which placements are obtained	Moderate
King-Snohomish Manpower Cons., Washington	1.	Preserve the existing consortium arrangement (and delivery system).	High
	2.	Serve those most in need in the target population (stress on economically disadvantaged).	High
	3.	Improve the existing delivery system incrementally (work toward a comprehensive system).	Moderate
	4.	Place individuals in unsubsidized jobs.	Moderately low

APPENDIX B: INTER-CORRELATION OF EIGHT PERFORMANCE MEASURES FOR ALL 32 SITES [1]

	Placement Efficiency	Placement Rate	Indirect Placement Rate	Entered Employment Rate	Nonpositive Termination Rate	Cost/ Indirect Placement	Cost/ Placement	Cost/ Enrollee
Placement Efficiency	1.00	.81	*	.65	-.31	-.45	-.53	.31
Placement Rate		1.00	.53	.58	-.27	-.52	-.36	.40
Indirect Placement Rate			1.00	*	*	-.37	*	*
Entered Employment Rate				1.00	-.23	-.44	-.42	*
Nonpositive Termination Rate					1.00	.28	.32	*
Cost/Indirect Placement						1.00	.79	.25
Cost/Placement							1.00	.26
Cost/Enrollee								1.00

[1] Includes all quarters between December, 1974, and December, 1976.

* = correlation less than ± .20